



A slab of rock weighing more than 1,000 tons fell across railroad tracks near Ez-sur-Mer east of Nice yesterday, cutting main rail links between France and Italy.

Published on King's 39th Birthday

## Democratic Laws in Force in Spain

MADRID, Jan. 5 (UPI)—Profound political change came into force today with the publication of the official state bulletin of laws setting up a new parliament and revising the judicial system.

By coincidence, the laws were published on King Juan Carlos's 39th birthday. In the first year of his reign as successor to Generalissimo Francisco Franco, the King has been the driving force behind changing the Franco dictatorship into a democracy.

The new laws that came into force included:

- A constitutional amendment approved by a 94-percent majority in a referendum Dec. 15, creating a 500-member Chamber of Deputies and a 200-member Senate, both elected by popular vote.
- Decrees abolishing political courts and the military's jurisdiction over terrorism, thus uniting the judicial system and making it more likely that political offenders get a fair trial.
- A decree scrapping the automatic three-year prison sentence for conscientious objectors and giving them an alternative of civil service work.
- Publication of the laws occurred only hours after the nation's main opposition parties of the center and the left picked a team of four moderates for negotiations with Premier Adolfo Suarez on the further democratization of Spain.
- The opposition suggested that the negotiations first tackle the problem of a total political amnesty and the legalization of all parties, including the Communists.
- In a later stage, the negotiations will turn to the matter of Spain's first free elections in 41 years, scheduled for the first half of this year, and draft an electoral law.
- There was no immediate reaction from the government to the opposition move.

But sources close to the government said they believed the reaction will be positive since the opposition respected the only condition set by Mr. Suarez for the negotiations: that no member

## Political Divisions in Spain Reflected in a Graffiti War

MADRID, Jan. 5 (UPI)—Spain's move toward democracy has covered the walls with political graffiti and produced a shortage of spray paint.

"Liberty" and "Amnesty" are the words most often painted by leftist activists. Often they are adorned with the hammer and sickle.

Rightists retort with the Falangist symbol of five arrows with a yoke and a wide range of slogans praising the late Francisco Franco.

"Franco Lives," a slogan asserts.

"And So Does El Cid" (Spain's 15th-century hero) is scrawled beside it.

"Under Franco, We Lived Better," insists another slogan. Someone used thick red paint to change it into "Under Franco, S-O-M-E Lived Better—And Without Dignity."

"Democracy Equals Power for the Assassins," the Francists retort.

Other graffiti are more philosophical than political. "If God Exists, That's H-I-S Problem," says one. And another sums up the good things in life as "Bread, A Good Rest and the Last Tango."

A spokesman for the Madrid city government said 170 city employees made a count of slogans last month. They turned up 35,000 of them and discovered that black spray paint is the preferred medium. Spray paint is extremely difficult to remove, so the city asked the owners of buildings not to count on its sanitation personnel to do the cleaning.

During a recent "week of struggle" called by leftist groups, 5,000 cans of paint spray were bought up in the city of Malaga alone, creating a shortage of the material.

It has not always been so easy for Spaniards to express their views by painting a few words on a wall. Under Franco, to be caught painting a "subversive" slogan—and such words as "Freedom" and "Democracy" were considered subversive by the courts—usually meant two or more years in jail.

In the first years after the 1939 Civil War that established the Franco dictatorship, the residents of houses on whose walls political graffiti appeared

## Iran Finds Sales of Oil Off by 10%

### Pricing of Saudis Held Responsible

TEHRAN, Jan. 5 (AP)—Iran is losing nearly 10 per cent of its oil sales expected for this year—more than \$6 million a day—because of price undercutting by Saudi Arabia and the United Arab Emirates, the National Iranian Oil Co. said today.

Twenty-five new customers, who had agreed to buy 12 million barrels of crude oil a day during this year, are now taking only 693,000 barrels a day, the company said.

The cutback does not affect the 45 million barrels a day Iran sells through a consortium of Western oil companies. There was no indication whether the consortium was also taking less oil.

Iran will reduce its oil production because of the cutback in demand, an official of the national company said.

OPEC Decision

Eleven of the 13 members of the Organization of Petroleum Exporting Countries decided last month to raise oil prices by 10 per cent on Jan. 1 and by 5 per cent on July 1. However, Saudi Arabia and the United Arab Emirates refused to go along, saying they would hold the price increase to 5 per cent.

Today, the Arabian American Oil Co. said it has been advised by Saudi Arabia that, as expected, the official new price for the key Saudi crude has been increased by 5 per cent, to \$12.09 a barrel. The key crude is Saudi Arabia's light oil, which is also the benchmark crude for OPEC.

On its extra-high-quality crude, Saudi Arabia also increased the price by 5 per cent, to \$12.48 a barrel. As expected on its medium crude, Saudi Arabia raised the price only 3.5 per cent, to \$11.89. On the heavy oil, Aramco said, the new Saudi price is up 3 per cent, to \$11.37.

World crude oil prices appear to be settling at about 8 per cent higher under the new "two-tier" OPEC pricing system.

Protest Voted

The Iranian company said it had notified 25 new customers who were buying directly that it was raising the price of crude oil by 10.4 per cent on Jan. 1. The customers protested and demanded lower prices, the company said.

"Since any discount would be against the OPEC decision, NIOC rejected such a demand and consequently, as from Jan. 1, 1977, NIOC direct sales dropped to 693,000 barrels per day instead of the scheduled 12 million barrels per day," the oil company's statement said.

The Iranian company warned that customers who do not live up to their purchase contracts will be put on an OPEC blacklist, and that the Iranian government will take any action deemed necessary. This was believed to be an indication that such customers would be denied Iranian oil in the event of another Arab oil boycott.

The price of Iranian light crude went from \$11.62 to \$12.21 a barrel and heavy crude went from \$11.33 to \$12.49. The drop in sales means a loss of \$6.3 million to \$6.5 million a day in revenue.



Child walks past roadblock separating Christian-held east Beirut from Moslem West.

## If Lebanon Bombings Continue

### Chamoun Warns of New Battles

NICOSIA, Jan. 5 (UPI)—Lebanese Christian leader Camille Chamoun warned today that his rightist forces would "resume fighting" if a wave of bombings and shootings in Christian areas continued.

"These incidents arouse grave fears for the future," Mr. Chamoun said in an interview on the rightist Phalangist party radio. "Should they continue to occur, we will not remain silent. We will resume fighting and return to the previous situation."

The sharp warning was issued after a new bomb blast last night near the local Phalangist headquarters, in the seaport of Byblos, 19 miles north of Beirut.

The rightist-held radio station said that a "time bomb" exploded in the heart of Byblos, normally a crowded market town, but gave no report of casualties.

It was the second bombing in a Christian sector in Lebanon this week.

In a telephone call to United Press International in Nicosia, a 25-year-old housewife from east Beirut said rightist militiamen set up roadblocks and searched all incoming traffic from the western Moslem sector of the divided city.

"The situation is quite tense and everyone is very nervous," she said in the phone call, made after official censorship went into force this afternoon.

The Associated Press and Reuters filed reports from Beirut this afternoon that were subject to censorship by authorities.

Automobile traffic between east and west Beirut was restored today, but movement was greatly curtailed because of the armed checkpoints and because both Moslem and Christian citizens were afraid to cross the no-man's-land between the two sectors.

On Monday night, a heavy charge of TNT in an automobile

## China's July Quake Killed 655,237, Injured 779,000, Taiwan Reports

By Jay Mathews

HONG KONG, Jan. 5 (WP)—At least 655,237 persons were killed and 779,000 injured in the July 28 earthquake in the Tangshan area of north China, according to an alleged classified Chinese report released by Nationalist sources in Taiwan.

The report, whose authenticity could not be verified by independent sources here, is entitled "Material (Part II) for the Study of the Conference on Resisting Earthquakes and Relieving Disasters Among Third Echelon Leaders." It is dated Aug. 8 and was allegedly issued by the Communist party and government organs of Hebei Province, where Tangshan is located.

Of the injuries, 79,000 were critical enough to require emergency treatment and 700,000 were less serious, the report said. Casualties in other stricken areas, such as Peking and Tientsin, were "comparatively smaller," it said. The claimed casualties would make the Tangshan disaster second only to the great 1956 earthquake in the Chinese province of Hsensi, in which 800,000 persons reportedly died.

Chairman Hua Kuo-feng said Dec. 25 that the Tangshan quake had "inflicted a loss of lives and property that is rarely seen in history," but the Chinese have issued no casualty figures.

The total population of the Tangshan area before the quake was estimated at 1.6 million. Analysts here said that it was hard to believe such a high proportion of the population was killed.

## Russia Will Buy U.S. Grain Despite Record '76 Harvest

MOSCOW, Jan. 5 (UPI)—The Soviet Union harvested a record 223.8 million metric tons of grain last year, but will keep its commitment to buy U.S. corn and wheat, Agriculture Minister Valentin Mesyats said today.

Mr. Mesyats declared at a news conference for Soviet and foreign reporters that the Soviet Union had rebuilt its grain stocks following the 1975 drought that cut that year's harvest to a low 138 million tons. He said that gains were also made in meat production.

Only the potato and sugar beet crops fell below target because of an unexpected October frost, Mr. Mesyats said.

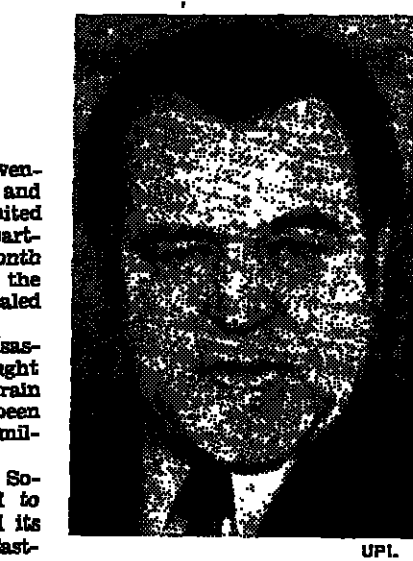
"The year was very difficult. There was a lot of worry about the fate of the harvest," the minister said. "However, we can say today that the agriculture workers did their job successfully."

"We've got the biggest grain harvest in all our history—223.8 million tons," he said. The previous record was 225.5 million tons in 1973.

Asked how much grain the Soviet Union would import this year, Mr. Mesyats said, "According to the figures that have been released, we have laid in stock enough grain to satisfy all of our needs."

"However," he said, "what has been foreseen by agreement—we'll take it all."

A five-year agreement signed last year provides for the Soviet Union to purchase a minimum



Valentin Mesyats

of 6 million tons of grain—evenly divided between wheat and corn—annually from the United States. U.S. Agriculture Department officials said last month that Soviet purchases from the United States for 1976 totaled 6.8 million tons.

Following the 1975 crop disaster, the Soviet Union bought 28 to 29 million tons of grain from the West and had been expected to import about 15 million tons this year.

With the record crop, the Soviet Union cut imports to 11 to 12 million tons and increased its exports to drought-stricken Eastern Europe by an unknown amount, a Western expert said.

Mr. Mesyats said that October frost hit heavily into the potato and sugar beet crops. Both totaled a little more than 85 million tons, short of the goals of 99 million tons for potatoes and 87 million tons for sugar beets.

The minister said that the provisional 1976 meat production figure was 15.7 to about 16 million tons in slaughter weight.

A Western expert called this "surprisingly high" considering that the target was 13.8 million tons, reduced from the 15.2 million tons achieved in 1975, and November slaughterhouse figures were well below those for 1975.

The current five-year plan calls for an average annual grain harvest of 236 million tons by 1980.

Increased Purchases

WASHINGTON, Jan. 5 (UPI)—A top Agriculture Department of-

## Parliament Dissolved In Israel

### General Elections Slated for May 17

TEL AVIV, Jan. 5 (UPI)—Israeli legislators voted today to dissolve the Knesset and set May 17 as the date for new elections.

Later, some attended the burial of Housing Minister Avraham Ofer, who committed suicide Monday.

"You said you were innocent and the words still ring in my ears," said Prime Minister Yitzhak Rabin, facing the plain wood coffin of the minister who killed himself in the face of a corruption investigation.

"I told you at our last meeting that I believed you," Mr. Rabin said.

"Now we bring you to eternal rest, sure of your word."

"Let your memory be blessed."

The vote in a 30-minute session of the parliament in Jerusalem automatically leaves Mr. Rabin at the head of a caretaker government and cancels the requirement that he try to set up a new cabinet pending the elections.

Nationwide Controversy

Mr. Rabin resigned from office two weeks ago following a nationwide controversy over the arrival of new U.S. F-15 jets close to the eve of the Jewish Sabbath.

President Ephraim Katzir and Mr. Rabin led hundreds of government and Labor party officials at Mr. Ofer's funeral at the Kiryat Shaul Cemetery outside Tel Aviv.

Chief Rabbi Shlomo Goren authorized the burial in the regular section of the cemetery despite Jewish tradition, which calls for suicides to be buried at the fringes of the graveyard.

Mr. Ofer, a close confidant of Mr. Rabin and a leading member of the Labor party, shot himself following news reports that linked him with an investigation of corruption and bribery.

In interviews aired after his death, Mr. Ofer denied the charges, but declined to answer publicly "every little detail of every charge about particular business deals."

He said that he demanded that the police tell him what the charges were against him so he could respond but that he was told repeatedly to wait.

Wave of Rumors

His family and friends said that irresponsible reporting by the press and the wave of rumors that followed prompted the suicide.

The investigation grew out of a probe of the dealings of another Labor party official—Ashraf Yadin—who was slated to become governor of the Bank of Israel before he was jailed on suspicion of bribery and fraud.

It centered on the suspected misappropriation of \$500,000 in land purchases from Arabs in occupied territory around Jerusalem when Mr. Ofer was head of the Labor movement's Shikun Ordim housing company.

As the rumors mounted, Mr. Ofer was replaced as head of the party's election campaign committee.

The Jerusalem Post quoted an unnamed "key Labor party functionary" as saying that Mr. Ofer's suicide may hurt Mr. Rabin politically.

"It became Kafkaesque," the source said. "No one talked to him, no one said what they had against him. There is no doubt he died with a feeling the leadership did him wrong."

In his eulogy, Mr. Rabin paid tribute to Mr. Ofer's organizational ability as head of Shikun Ordin and housing minister, and said, "His mark is to be seen across the map of Israel."

The state funeral service was held in the marble-columned lobby of the Tel Aviv City Hall where Mr. Ofer, 54 when he died, once served as city councilman.

Those attending the funerals included Mr. Katzir, Mr. Rabin and the rest of the Cabinet former Defense Minister Moshe Dayan and former Prime Minister Golda Meir.

## U.K. Envoy Goes To Mozambique

GABORONE, Botswana, Jan. 5 (AP)—The chairman of the Gt neva conference on Rhodesia, Ivor Richard, flew from here this afternoon for Maputo, Mozambique, on the next leg of a six-nation tour of southern Africa.

Mr. Richard will have lunch with President Samora Machel whose country, like Botswana, one of the "front-line" states bordering Rhodesia. After Mozambique, he flies to Tanzania.

This morning, Mr. Richard talked with Botswana's President Seretse Khama, which the British envoy described as "detail and sympathetic."

Princess Anne  
I feel great...  
Miss Lillian...  
former Army...  
Callaway...  
and chief...  
the Created...  
Corp. in...  
the company...  
her in-law...  
the 1970...  
is assigned...  
of all-glass...  
his office...  
able U.S...  
allowing...  
resort...  
old Fox...  
television...  
week at...  
the...  
Chi Chung...  
lives in...  
lives in...  
a...  
but I...  
pau...  
the...  
use...  
has...  
sly...  
and...  
he said...  
SITUATION...  
SWISS...  
AMERICAN...  
AMERICAN...  
DOMESTIC...  
SITUATION...  
FRENCH...  
SOUTH AFRICA...  
SPANISH...  
SWITZERLAND...  
U.S.A...  
FRANCE...  
descriptions...  
SERVICE...  
MAIL...  
nearest...  
S. 55...  
wings...

abdominal...



## Low-Profile President

## Radical New Style Introduced In Mexico by Lopez Portillo

By Alan Riding

MEXICO CITY, Jan. 5 (NYT).—After a month in office, President Jose Lopez Portillo has wiped away the memory of the stormy Echeverria administration by adopting a radically different style of government, devoid of demagoguery and even shy of publicity.

The same party remains in power, many of the same politicians are still around and, in broad terms, the same policies are being followed. But the mood of Mexico has changed dramatically overnight.

Unlike former President Luis Echeverria, who improvised controversial speeches and press in-

## EEC's Ortolí Bows Out for Jenkins Entry

BRUSSELS, Jan. 5 (Reuters).—The Common Market Commission headed by François-Xavier Ortolí bowed out today to make way for the new EEC executive under Roy Jenkins, which formally takes office tomorrow.

Mr. Jenkins, a former Labor home secretary, today formally resigned from the British Parliament so that he can take over officially tomorrow as president of the Commission.

Of the 13 men in the Ortolí team, 6—including Mr. Ortolí, a former French finance minister—will be included in the new Commission.

The first task of Mr. Jenkins will be to allocate the Commission portfolios.

Among officials here, there is speculation that Mr. Ortolí will be given responsibility for economic and monetary affairs.

**Agriculture Post**

The commission's agricultural departments, previously headed by the Netherlands' Pieter Laridon, who is leaving Brussels, are expected to go to Finn-Olav Gundelach, a Danish technocrat. Claude Cheysson of France is expected to keep development aid and relations with Mediterranean countries, while Belgium's Etienne Davignon is likely to head the other major elements in external trade and foreign affairs.

Former Dutch Defense Minister Henk Vredeling may get energy, while Antonio Giliotti of Italy will probably get regional policy and other elements of community aid to its backward regions.

The biggest unknown concerns the posts to be given to the two West German commissioners—Willy Haferkamp and Guido Brummer.

Mr. Haferkamp is being downgraded from his former post to make way for Mr. Ortolí, while Mr. Brummer has been seeking an improvement on his current portfolio of research and education.

## Pakistan Refuses To Drop Plan for French A-Plant

ISLAMABAD, Pakistan, Jan. 5 (AP).—Pakistan said today it will go ahead with plans to purchase a nuclear reprocessing plant from France despite opposition from the United States and Canada.

Asif Ahmed, minister of defense and foreign affairs, told a news conference: "No third country has any right to demand that Pakistan abandon the reprocessing plant."

The United States and Canada are opposed to acquisition of such reprocessing facilities by Pakistan and other Third World nations because of concern that the plutonium extracted could be diverted to production of nuclear weapons.

Since the Pakistani-French deal was concluded, the French government has adopted a stricter policy on nuclear exports and a flat ban on future sales of reprocessing facilities. However, it said France would honor all contracts already signed, including the one with Pakistan.

Mr. Ahmed disclosed his government's stance on the reprocessing plant deal in discussing the decision announced by Canada Dec. 23 to end its nuclear cooperation program with Pakistan. Mr. Ahmed said Pakistan would try to purchase fuel and spare parts for its Canadian-built power plant from other nations.

## ANXIOUS? OVERWROUGHT? Then RELAX!

Think of the elegance and luxury at one of the finest beauty salons in Paris (admission throughout, separate cabins and linen). Think of relaxing in a discreetly scented warm water atmosphere, that is soothing and invigorating. That is what Claude Massard is all about.

Try it now  
Call to make a reservation now.

**Institut Corporel Claude Massard**  
6, rue de la Paix - 75002 PARIS  
Tél. 261.27.25 - 261.27.97



**PEN PALS**—Japanese schoolchildren and adults put brush to paper in the annual New Year calligraphy ceremony at Budokan Hall in Tokyo. This year, an estimated 3,600 persons took part in the rites, called Kakizome in Japanese.

Associated Press.

## In First Continental Census

## Elephants Being Counted Throughout Africa

By Boyce Rensberger

NEW YORK, Jan. 5 (NYT).—The status of Africa's elephant populations, widely held to be declining rapidly and possibly approaching extermination in some areas, is being examined in the first continent-wide research program attempted on an African animal.

Threatened by ivory hunters and the encroachment of human settlements, the survival of African elephants has become one of the most pressing concerns of the international conservation group.

First reports from the project, sponsored by the World Wildlife Fund and the International Union for the Conservation of Nature, confirm drastic declines in elephant numbers in some parts of East Africa, but also show that in the continent's largest game preserve at least 80,000 elephants live virtually unthreatened and may even be expanding their range. The huge population, which may be the largest in the world, had never before been counted.

## No Conclusions

The three-year study, which has just begun, has produced no broad conclusions, but at the end it is expected to develop recommendations toward improving the conservation of elephants.

Because of their size and food requirements, African elephants are highly sensitive to human pressure, usually fleeing the expansion of farmlands but sometimes being shot if they remain to trample rice fields. Additional pressure has come in recent years from the soaring price of ivory, which has encouraged large-scale illegal hunting.

One of the more unusual conservation methods to be examined during the program is the establishment of a cartel of ivory-producing countries that could regularize the trade.

Such a cartel, it has been suggested, would be interested in sustaining ivory production as a renewable resource and would act to stabilize prices and limit the annual killing of elephants. The elephant survey and conservation program in Africa is being conducted by Dr. Ian Douglas-Hamilton and Dr. Harvey Croze, both wildlife biologists with extensive experience in East Africa. A similar study will be carried out in Asian elephants, the smaller of the two species, by Dr. J.C. Daniel and R. Olivier.

One of the more dramatic declines in elephant numbers has been seen in "grands" in Kibalega National Park, formerly known as Murchison Falls, official counts indicated more than 14,000 elephants living there in 1973. A recent study by Dr. Douglas-Hamilton and Ian Parker, a Nairobi wildlife consultant, found only about 2,600 elephants. In Uganda's Ruwenzori National Park, formerly Queen Elizabeth National Park, there were said to be 2,700 elephants in 1973. The recent count found 1,200.

A count of carcasses on the ground suggested that the main cause of the declines was death rather than emigration. A comparison of Uganda's ivory export figures with import figures from Hong Kong, a prime ivory market, indicated far more ivory leaving Uganda than was accounted for in legal exports.

Because most of the ivory leaving Africa is illegally obtained,

accurate estimates of the rate of elephant killing are hard to obtain. However, the import figures from Hong Kong alone indicate that about 500 tons of ivory were received there in 1975. That is the product of from 25,000 to 30,000 elephants. Last year's figures are incomplete, but are running at a rate that could exceed 30,000 elephants for the year.

## Additions Quantities

Ivory trade experts say that significant additional quantities of ivory go to Japan and the United Arab Emirates.

The hunting does not affect

## Vatican Assails News Report About Its Rome Real Estate

VATICAN CITY, Jan. 5 (UPI).—The Vatican said today that an Italian magazine article claiming it owns one-quarter of Rome's real estate and is engaging in tax-free speculation was "irresponsible and scandalous."

It said a continuation of such press attacks could drive from Rome religious institutions that have brought the city prestige and money.

The Vatican newspaper L'Osservatore Romano, in a front-page editorial by its vice-director, the Don Virgilio Levi, took issue with an article about Vatican wealth in last week's issue of the independent magazine L'Europeo. The magazine said the Vatican and Roman Catholic religious bodies owned 5,140 acres of land around Rome, 56 buildings in the city itself and a number of apartments. It said many historic buildings owned by the Vatican have been sold tax-free for millions of dollars for conversion into modern hotels or blocks of office buildings.

## Distortion Cited

"One can only express deprecation and protest over the irresponsibility with which L'Europeo, like a considerable part of the weekly and daily press, distorts almost methodically whatever reports the Holy See, the Vatican and the Catholic Church for the purpose of cheap, irresponsible scandal-mongering," L'Osservatore Romano said.

"Are they trying to drive away from Rome institutions that are channeling into this city the sympathy and love—not to speak of other things—of the entire world?" Rev. Levi asked.

He said that "several religious institutions" of friars and nuns have moved their headquarters from Rome to other countries.

Rev. Levi said tax-free status applied under the 1928 Lateran Pacts with Italy only to a few extraterritorial buildings housing Vatican departments.

## Regular Taxes

He said other Vatican-owned buildings in Rome "are covered by regular real estate taxes, they are reported to the competent

## Vietnam Rail Link

SINGAPORE, Jan. 5 (Reuters).—The first passenger train from Ho Chi Minh City (formerly Saigon) on the reopened 1,180-mile trans-Vietnam railway arrived in Hanoi yesterday, Radio Hanoi reported.

all areas of Africa equally. In Tanzania's Selous Game Reserve, whose 21,000 square miles make it the largest in Africa, a recent aerial survey by Dr. Douglas-Hamilton counted more than 81,000 elephants. Since poor visibility tends to produce undercounts, the true figure may be even higher.

The survey in the Selous also showed that the elephants were not overcrowded, as is the case in other parts of East Africa because of the shrinking habitat areas, and did not appear to be destroying the local vegetation faster than it could regrow.

## Britain to Probe Series of Blasts; Gas Is Suspected

LONDON, Jan. 5 (AP).—The Department of Energy said today it will launch an investigation into a series of explosions during the last week that have killed a baby, injured 46 persons and caused widespread damage.

Leaking gas is believed to have caused the six blasts—two in the London area and one each in Bristol, Liverpool, Huddersfield and rural Scotland.

The British Safety Council has accused the state-run industry, British Gas, of doing nothing to avoid the leaks or alerting the public to them. The Safety Council said Britain's 133,000 miles of gas pipeline are deteriorating.

British Gas called the Safety Council's allegations "ill-informed and irresponsible" and said its safety record "is second to none."

It added that it was thoroughly investigating each explosion.

The blasts began last Wednesday during a snap of cold weather. The latest explosion occurred yesterday in the hamlet of Robertson, in Scotland's Lanarkshire County. It destroyed two adjoining houses and killed an 11-month-old girl.

## Economic Talks Seen By Giscard in Spring

PARIS, Jan. 5 (AP).—President Valéry Giscard d'Estaing said in an informal conversation with reporters yesterday that the next big economic conference involving the United States, Japan, West Germany, Britain, France and Italy would take place around April, possibly in Britain, but in any case in Europe.

President-elect Jimmy Carter has said he probably would attend the next conference. The last meeting was held last year in Puerto Rico in June.

## Dispute With VOA Continues

## USIA Fears Changes Under Carter

By Lee Lescaze

WASHINGTON, Jan. 5 (WP).—One of the more jittery of the U.S. government agencies waiting for their new masters to be named or to arrive is the United States Information Agency.

USIA is afraid that its new leaders may be intent on surgery—perhaps even dismembering the agency and assigning its pieces elsewhere in the interest of government reorganization.

It does not please top USIA officials that the Voice of America radio operation, the agency's largest component with about a third of its U.S. employees, has by its earlier agitation for independence, opened the door to reorganization.

The dispute over the role of VOA has been going on for years between VOA journalists and officers of USIA and the State Department, who believe VOA should be an instrument of U.S. policy.

Even free from such restrictions, however, the broadcasters say they would stop short of challenging U.S. government policies with the freedom exercised by commercial radio. They would remain, after all, U.S. government employees. The ambiguity of a new organization owned by a government with many policy lines to push won't go away.

The new head of the USIA is expected to be John Reinhardt, 45, now assistant secretary of state for public affairs. In 1971, he was the first black to be appointed as ambassador to Nigeria. Mr. Reinhardt started his Foreign Service career with the USIA in 1956 and remained there until 1971.

**It Speaks for the U.S.**

In the debate on the role of the VOA, Leonard Marks, a former director of the USIA, took the position in an interview that "its name describes its function. It speaks for the United States."

Walter Bastian, USIA deputy director (policy and plans), testified at a recent meeting of the U.S. Advisory Commission on Information.

"We do our job as bringing our one and only public relations client, the United States of America, before the bar of public opinion."

VOA Director Kenneth Giddens argues that the interference and restrictions from Mr. Bastian's division are "a constant inhibition which is like being forced to write with a glove on your hand."

"The VOA needs greater freedom," he said in an interview. "The conditions became nearly intolerable to the writers and the editors because there are too many people in the kitchen helping with the cooking."

More than 500 VOA employees have signed a petition urging Congress and the Jimmy Carter administration to create an independent VOA. Mr. Giddens, who will leave this month after the longest incumbency as director, almost seven and a half years, supports them.

The springboard for the petitioners is a 1976 report by a panel headed by former Columbia Broadcasting System president Frank Stanton. The report recommended creating an independent VOA under its own board of overseers and, in effect, dismantling USIA.

The Stanton panel urged creation of a semi-autonomous information and cultural affairs agency within the State Department that would carry out functions now divided between State and USIA. It also called for an office of policy information within State to handle other functions now belonging to USIA.

**Cultural-Exchange Unit**

A Carter insider indicated that such a plan would be given serious consideration, along with a proposal favored by some on Capitol Hill to give USIA's policy-oriented public-spokesman role to State and link State's present cultural affairs with USIA's cultural activities in an independent cultural-exchange unit.

President-elect Jimmy Carter gave VOA petitioners added cheer when he said recently that he planned to study the Stanton report, which he had been told was "a superb report."

A congressional expert on international broadcasting believes there is a growing consensus that VOA should be independent, as the Stanton panel suggested, but both sides acknowledge that there will be a public fight before any change is made.

All sides agree that there is a need for VOA, and that at a cost of \$65 million a year it is a bargain.

Mr. Carter made the case along the lines that the professionals also use:

"It is détente with the Soviet Union and the countries of Eastern Europe is to have real meaning, we must work toward a freer flow of information and ideas. The most valuable instruments this nation has for this purpose are our international radio stations: Voice of America,

the official radio voice of the U.S. government; Radio Free Europe and Radio Liberty, which substitute for free press in those countries."

## Reach the Masses

Mr. Giddens showed a visitor a map of the world shaded to show the countries without freedom of the press, in which four-fifths of the world's people live. "Only international broadcasts reach the masses, whether their governments will it or not," he said.

VOA's broadcasters, however, believe that because of interference from USIA officials providing policy guidance that inhibits them from reporting and commenting on the news, they have less credibility abroad than the international broadcast.

They envy the British Broadcasting Corporation. News division chief Bernard Kamenski testified to the advisory commission that "the people who work for us are now so intimidated, so completely shocked, so completely hounded, that to present the cold, hard facts is a difficult task indeed."

Among the most often cited restrictions by VOA officials is the total ban on commenting on China. The ban results from Secretary of State Henry Kissinger's sensitivity over the Sino-U.S. relationship.

As a result, when chairman Mao Tse-tung died, VOA broadcast no commentary or analysis, and one VOA official who was traveling abroad said he was asked about the omission several times.

When the Transkei became independent Oct. 26, a VOA reporter was not allowed to attend because, VOA was told, his presence might imply U.S. recognition for the black enclave within South Africa, contrary to U.S. policy.

## At Variance With Policy

A background piece on strategic arms limitation was killed because it contained a statement by the director of the Arms Control and Disarmament Agency,

Fred Ikle, that was at variance with State Department policy.

VOA officials also say they are sometimes preoccupied, told to refrain from commenting on certain subjects.

Mr. Bastian, the man responsible for giving VOA policy guidance, conceded in an interview that his people have occasionally made mistakes, but added of VOA: "I don't think they appreciate how like the BBC we are." But, he adds, U.S. government policy must be made clear by the radio.

The rejoinder from Mr. Giddens is: "All the talk in some circles that an independent voice of America might make its broadcasters less anxious to serve the national interest is what we Southerners call hogwash."

The broadcasters say they only want to be free from "bureaucratic nit-pickers" in the bureaucracy. The bureaucrats reply that broadcasters paid by the U.S. government, traveling on official passports, with security clearance and access to classified documents, are not independent even if they are not controlled by any other government agency.

## Make It Clear

In addition they argue, as Leonard Marks put it, that "When there is an official government policy, you have to transmit it and make it clear."

"The foreign audience," he added, "only hears one voice from America, and he believes when he hears something on VOA, it is what the U.S. government is saying."

If the VOA were unhooked from policy and made even occasional statements at variance with policy, the argument goes, foreign listeners would be confused, since they expect to hear policy.

VOA reaches those listeners in 35 languages in addition to English and broadcasts 788 hours a week. No one knows how many people listen, but VOA estimates at least 50 million tune in each week.

## Soviet Crackdowns Indicate Tougher Stand on Dissidents

MOSCOW, Jan. 5 (AP).—A crackdown this week on the Soviet Union's most active dissident group was the latest in a series of official actions that point to a toughening stand against dissent.

Members of the unofficial human rights group told newsmen today that searches of the apartments of three members the night before was an indication that authorities plan to clamp down on their activities.

At the time of the searches, the Tass press agency issued a story saying that evidence had been found linking the three—Yuri Orlov, Alek Ginzburg and Lynda Alexeyeva—to an anti-Soviet Western group, the People's Labor Alliance. The dissidents denied this.

That accusation could lead to the serious charge of anti-Soviet activity. In addition, Mr. Ginzburg said that 1,000 deutsche marks and about \$100 were planted in his apartment by the searches. It is illegal to possess unauthorized foreign currency.

**Orlov Detained**

On his way to meet with newsmen today, Mr. Orlov was detained by plainclothesmen and driven to the public prosecutor's office, where he was held for seven hours and released.

On Christmas Day, there was a series of searches of a sister group in Kiev, at which Mr. Orlov said material also had been planted: U.S. currency, pornographic postcards and a rifle.

Such measures are the strongest taken so far against members of the group, which was formed in May to monitor Soviet compliance with the human rights provisions of the Helsinki accords.

The reported moves against the dissident group followed strong action last month by authorities against a group of Jews who attempted to hold a symposium on their life in the Soviet Union. All 13 organizers, and all but one of the 40 persons who were to read papers at the symposium were prevented by authorities from attending.

Three days later, security police snuffed out an attempt by the Jews to hold a silent vigil to imprisoned Jewish activists. Similar vigils had previously been allowed.

In October, a group of Jewish dissidents who held a sit-in at the Kremlin said they were taken into the woods by plainclothes police and beaten.

## Leningrad Pressures

Dissidents in Leningrad, meanwhile, say they are subject to increasing pressure from authorities, and some of them, including poet Yulia Yemetsenskaya and Jewish activist Yuli Levin, have been jailed. And Leningrad dissident Vladimir Borisev was placed in a mental institution on Christmas Day.

There is no consensus among dissidents as to why sterner measures are being taken against them, or what it may portend.

Dissident leader Andrei Sakharov viewed the move against the human rights group as "a test of the Carter administration. I think a main reason for this at this time is to test the new American President to see how far he will go on human rights

questions in this country," he said.

## Defector's Wife Driven Out

MOSCOW, Jan. 5 (Reuters).—The wife of a Soviet defector, seeking permission to join her husband in Sweden, was taken away by police today after refusing to leave the Interior Ministry, a relative said.

Officials at the ministry told Lydmila Agapov that the question of whether she would be given an exit visa had not been decided, her mother-in-law, Mrs. Antonina Agapov, told Western correspondents.

It was the fifth time in 2 1/2 months that ministry officials had declined to give the Agapovs a ruling.

## Spain Wages Graffiti War

(Continued from Page 1)

were often held personally responsible for them.

The magazine Cuadernos has recalled a case in 1942 where Falangist zealots raided a Madrid building and made the residents pay for not having removed a political slogan. The Falangists shaved the heads of the women and made the men drink castor oil.

As recently as last summer, night police patrols sometimes shot at leftist militants caught spraying slogans on a wall. The last case occurred in August in the southern city of Almería, where Javier Verdejo, 21, a biology student, was killed by police while in what authorities later described as an "unfortunate accident."

Mr. Verdejo had painted only the first word of a slogan. It was "Bread." Premier Adolfo Suarez interrupted a vacation to visit Mr. Verdejo's parents and express condolences. Since then, no writing of slogans has been stopped by bullets.

## Italian Unions Reject Wage Bid In Andreotti Talk

ROME, Jan. 5 (AP).—Italian trade union leaders today rejected the basic government proposals to reduce the cost of labor and stem inflation, a union spokesman announced.

Premier Giulio Andreotti and his economic ministers conferred with union leaders today to try to iron out differences and prepare a list of priorities for the year.

Labor Minister Tina Anselmi said that the government's plan was based mainly on a project to calculate wage increases every six months instead of every three, as is done now.

"This alone will produce a 6-per-cent reduction in the cost of labor and an 8-per-cent cut in the inflation rate," she said.

Union spokesman Luigi Macario said that the government's plan on the wage escalator was unacceptable, and that the unions had already spoken against it.







## China Watching

China under Mao Tse-tung became such a pivotal element in the world balance of power—particularly in what many termed the Washington-Moscow-Peking triangle—that its evolution since Mao's death four months ago should concern the United States deeply. Will China make it as a cohesive power? Who will be the new rulers? Will they patch things up with the Russians or even revive the Soviet-Chinese alliance of the 1950s?

The answers are far from settled, but enough has happened since Mao's death and enough information has filtered out so that at least a preliminary evaluation is possible. The Chinese themselves have provided all the evidence needed to document a merciless struggle for power before and more intensely after Mao's death. The emerging faction is led by Hua Guo-feng, now named chairman of the Chinese Communist party and already the subject of a worshipful buildup among his people. Hua seems to be backed by the military high command and by many of the surviving figures from the days of Chou En-lai and is usually thought of as a "moderate." The fragmentary evidence suggests that his view of Chinese Communism is weighted toward the secular rather than the theological component of Maoism, and that he values such mundane goals as raising the standard of living of his desperately poor people with, among other things, modern technology from abroad and the businesslike relations with the United States that this implies.

The group that he has defeated—and termed "the gang of four"—was headed and symbolized by Mao's widow, Chiang Ching. It is considered "leftist" because this faction was thought to put Maoist revolutionary ideology ahead of practical considerations. What the Chiang faction might

have done if it had won the struggle is anyone's guess. It is useful to remember in these matters that after Lenin's death Stalin took Trotsky's program right after he took his political head.

At the moment, Hua is sounding a full retreat from the fanaticism of the great proletarian cultural revolution of a decade ago. He is promising his people "livelihood politically and prosperity economically." And in a throwback to Mao's most conciliatory period, his new year promise was that "a hundred schools of thought will contend and a hundred flowers bloom in science and culture." We shall see whether this is a case of invoking the late Chairman's quotations to dethrone the Chairman or to imitate him. Blooming flowers tend to invite plucking.

It is even too early to assume that Hua will certainly be Mao's successor. There is obviously a great deal of unease throughout China. The "leftist" forces evidently fear a general purge in which millions may be removed from their regional or local power positions. Hua has encouraged the fear and encountered resistance. Not surprisingly, there appears to be a fair amount of disorder in various parts of China, disorder that has required military intervention in some places.

We can only watch this convulsion, but not indifferently. A China divided into warring principalities would tempt the Russians into meddling, or more, beckoning the United States to countervailing intervention. There is no cause for joy over this turmoil in a totalitarian state. Whatever we may think of the values of Chinese Communism, there are self-interested reasons to hope for the emergence of a strong, unified and independent China and to express that hope in quiet ways.

—THE NEW YORK TIMES.

## Congress Under New Management

First it was Teddy Kennedy. Now it is Hubert Humphrey. Robert Byrd of West Virginia—dour, efficient, politically and temperamentally cautious—bids fair to win the title of liberal giant-killer of Capitol Hill. Sen. Byrd, who was chosen Democratic majority leader of the Senate in a contest with Sen. Humphrey, moved up from a job (that of Democratic whip) which he had already taken away from Sen. Kennedy a few years back. It is true that in each of these contests there were special circumstances that worked to the disadvantage of his opponents. But when you have said that you still have not accounted for Mr. Byrd's remarkable success in a political environment that, ideologically speaking, appeared to be much more hospitable to a Kennedy or a Humphrey than a Byrd.

So what happened—and what does it mean? We will mention briefly a few well-known elements that contributed to this outcome: Mr. Humphrey's age and illness and the disorganization of his campaign for the job; Mr. Byrd's head start in the race, his meticulousness as a campaigner and strategist and his reputation among his colleagues as a fellow who can make the trains run on time. The reason we don't mean to dwell on any of this is that we think it is important but not crucial to an understanding of what occurred. Senate Democrats of every political stripe joined together to select a leader whose style amounted to a ratification of the particular independence they have acquired over the past several years.

That independence is owing to a lot of things—the breakdown of the rigid old Senate structure, the disappearance of some of the rigid old committee chairmen and the relatively complaisant leadership style of the outgoing leader, Mike Mansfield. But whatever may have accounted for this new way of Senate life, it is plain that a majority of its majority likes it. Sen. Byrd is generally expected to continue to make the Senate a more convenient and agreeable place, and a less harried one for his flock. It has been supposed that he will do more for—and ask less of—the Democratic members than Mr. Humphrey might have. In one sense, then, you could almost say that

Democrats in the Senate don't want a leader, at least not a leader in the policy-making, party-spokesman mold.

From Jimmy Carter's point of view, this is probably a good thing. We mean no mortal affront to Sen. Byrd, to the new Senate whip, Alan Cranston of California, or to Messrs. Thomas P. O'Neill Jr. and Jim Wright of the Democratic leadership in the House when we say that this is hardly a congressional team known for its capacity to articulate great issues or to stir the soul of the Democratic national constituency. Interestingly, the Senate Republicans—in one of those quiet, coup-like things for which their congressional minions are justly famous—did narrowly upset the favored candidate (Robert Griffin of Michigan) for a more personable, outgoing and politically articulate candidate for minority leader, Howard Baker of Tennessee. But our guess is that the Baker-Griffin contest had (and will continue to have) much more to do with national Republican politics and their internal maneuverings than with Senate business or with the conflict between a Democratic administration and Republicans on the Hill.

In fact, we will take our guess one dangerous step further: If there is to be struggle of a large and serious kind between Congress and the Democratic administration, we suspect it will be between Democrats and Democrats—between those majorities which have just chosen Mr. Byrd and Mr. O'Neill to be their leaders and the Carter administration. Yes...we know...everything is sweetness and light now. But the needs of the legislators as the mid-term elections come nigh and the capacity of the administration to meet those needs may be two very different things. We mention this prospect because it will be then that the all-purpose value of the Senate Democrats' choice of leaders will be put to the test. Sen. Byrd may be just the fellow for a period of harmony and peace between the Carter White House and the Democratic Congress. Forgive us our sportsman cynicism—the question is whether he will still be the right fellow when the honeymoon is over.

THE WASHINGTON POST.

## International Opinion

### The State of Britain

Britain lurches into 1977 a battered but by no means a beaten nation. There has been little good news in 1976, and it is certain that nobody is expecting miracles in the new year... However, the British achievement in combining order and freedom

looks pretty impressive, especially to the hundreds of millions of people all over the world who live in fear of their governments. Industrially, the British have been one of the most inventive and successful of nations. The qualities that made us so have not disappeared. We need to rediscover them.

—From the Daily Express (London).

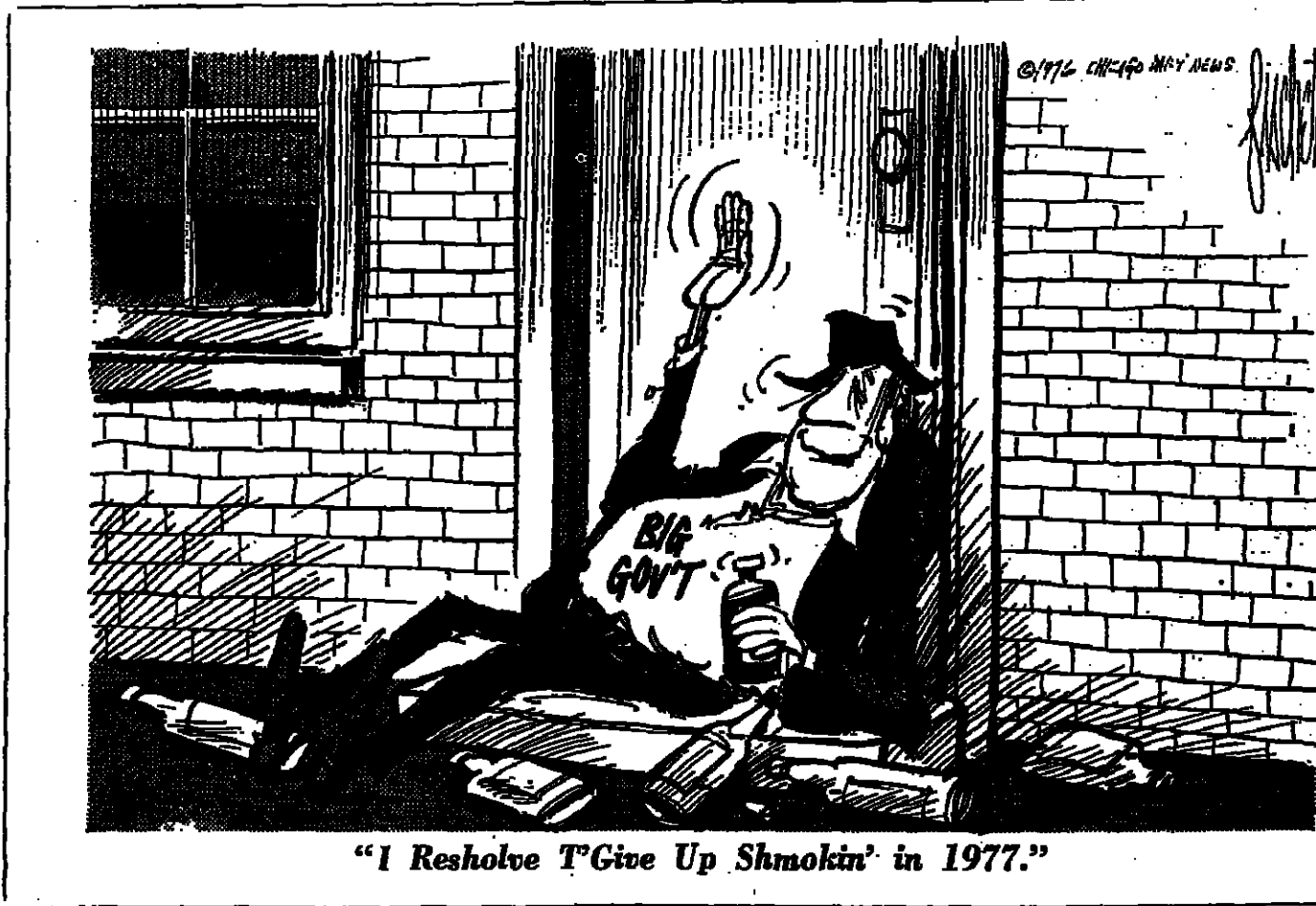
## In the International Edition

### Seventy-Five Years Ago

JANUARY 6, 1902  
DENVER—Leading scientific authorities assert that whether the Marconi system or some other will ultimately be adopted is uncertain but do think that wireless telegraphy of some sort will almost certainly come into practical use. They think it will require so little capital compared with what is now expended for telegraph wires and poles, that it will inevitably reduce the cost of telegraphing far below what it is today.

### Fifty Years Ago

JANUARY 6, 1927  
ROME—Winston Churchill, the British Chancellor of the Exchequer, arrived here this evening. He intends to have several conversations with the Italian leader Benito Mussolini and also with Conte Volpi, the Italian Minister of Finance. Afterward he is expected to go to Malta, where he will spend a few days vacationing, and will then proceed to Eze-sur-Mer, on the French Riviera, to be the guest of the Duchess of Marlborough.



## The Kremlin and Carter—A Glint of Steel

By Victor Zorza

WASHINGTON.—The glint of steel which shows through the exchanges between Brezhnev and Carter has been buried under so many layers of diplomatic civility that it is hardly visible. But while Brezhnev keeps assuring Carter that the Kremlin will bear with the new administration as it settles down, he is also making it clear that Moscow cannot wait forever. While Carter acknowledges with thanks the first part of Brezhnev's message, he is also making it clear that, should the Kremlin try anything, he will be ready.

The Kremlin message passed largely unnoticed when it appeared last month in a Pravda article (JET, Dec. 13) by Georgi Arbatov, the head of the Soviet Institute of U.S. Studies, who said that the new President would of course be faced by many claims on his attention. This was "only natural." But there were also "urgent problems" in U.S.-Soviet relations, and their settlement "must not be postponed indefinitely."

The time factor, he explained, was very important. During the election campaign, "plates and dishes were broken," and this would have to be paid for. Additional efforts would therefore be necessary, he said, to make up for lost time. In politics, opportunities could not simply be "skipped" for possible action later, he said, but would be lost if not used at the right time. Therefore the prospects of success in U.S.-Soviet relations "depend largely on the opportune settlement of urgent problems."

### Indirect Warning

He could have put it more bluntly by saying that failure to settle these urgent problems would preclude the successful development of U.S.-Soviet relations, because this is what his message amounted to. It was a warning, a shot across the bows of the Carter administration even before it got launched on its course. This is not something that the Kremlin would wish to say in the message passed through the channels which assured Carter that Moscow would give him time to settle down. There is a Kremlin tradition, derived from careful diplomatic calculation, that such warnings are best served indirectly.

But Washington in transition is even less likely to read between the lines of Pravda than at any other time. Arbatov repeated the message in a press interview, but this got even less attention than the Pravda article. He tried a third time, in a broadcast beamed to the United States by Moscow radio. By this time the broken dishes had become a habit. You cannot, Arbatov explained, ride a bicycle and stay in place at the same time. To make progress, you have to move.

Arbatov's persistence in trying to get his message across deserves the reward of publicity—but the message itself deserves the most careful scrutiny. If there is no progress on SALT by the time the provisional agreement runs out by next October, he said in Pravda, a new and more dangerous round of the arms race may begin.

I would regard this as no more than a statement of the obvious, but there are those in Washington who would read it as a threat, particularly in the light of his remark, in the press interview, that "we have two choices." The Soviet Union, he said, could either seek détente and equal security under a SALT agreement, "or tighten our belt and build up a defense power which, in our case, will prevent a recurrence of the situation we faced in 1941," when Hitler attacked Russia.

To pose the Kremlin's alternatives in terms of such stark choices suggests that Arbatov, one of the leading doves in the internal Soviet defense debates, is now finding it necessary to pay more heed to the hawks than he did in the past. The "either-or" approach he uses in this case is, indeed, more in tune with the crude arguments often put forward by the most extreme hawks in both Moscow and Washington than with the subtle, sophisticated thinking of arms-control supporters in both countries.

Moscow is worried. Both the Kremlin and Kissinger believed that the SALT agreement negotiated during the past year was virtually ready for signing, but Carter wants to introduce a number of changes into it which could greatly complicate the negotiations. Carter has made it clear that his administration will take a firm stand on the human rights which Brezhnev promised to respect under the Helsinki declaration. Arbatov is sounding the alarm on this too. The countries attending the Belgrade conference this summer which will discuss the implemen-

tation of the Helsinki declaration should not go there, he says, "with mutual claims and complaints." During the election, Carter called for a tougher policy towards Russia than that followed by the Ford administration. For the most part, the Kremlin pretended not to hear, but Arbatov argues that real damage has been done. The election campaign, he says, undermined public support for détente and generated distrust towards the Soviet Union, and this "will leave its mark for some time."

The Soviet press usually publishes only those public opinion polls which show the growth of friendly U.S. feelings towards Russia, but Arbatov takes a different tack. He cites a poll showing increased American distrust of the Soviet Union, and greater public support for military expenditure and for the acquisition of U.S. military superiority.

The Kremlin is expecting trouble from Carter, and Arbatov is making it clear—both to Carter and to people in the Soviet Union—that Moscow will be ready when it comes.

## Lance and the Monsters

By James Reston

WASHINGTON.—Bert Lance, the big friendly Georgian who will head the Office of Management and Budget in the next administration, occupies Suite No. 342 at the Treasury Department and talks with cautious modesty about the hard work ahead for Jimmy Carter and company. Other than having "one foot in the 1977 budget and the other in the '78 budget," he says, all he has to worry about is reorganizing the federal government. But even confronted by these two monsters he doesn't sound off balance.

He is relaxed but realistic about the magnitude of his assignment, and says maybe Carter's main problem in the coming months will be that he will expect more progress in a hurry than the complexities of the problems and the machinery of the government will allow.

By Feb. 15, Lance anticipates that the Congress will give Carter the statutory authority required to reorganize the government. Meanwhile, he will be going to Plains with the other top economic advisers on Friday to discuss the budget, and begin studying President Ford's budget next Monday when it comes from the printer. His current guess is that Ford will come in with about a \$80-billion deficit and that by the time it is amended by the Carter team the budget deficit may be in excess of \$70 billion.

"This will have to be explained very carefully to the American people," he observes, and the reorganization will require a great deal of explanation in Congress as well.

James T. Lynn, the present director of OMB, agrees with the need for reorganization, but feels it cannot be effective without a parallel reorganization of the congressional committees, and a reform of many programs as well. He points out that there are now so many different departments and agencies of the executive and so many committees of the Congress dealing with the energy crisis, that top officials of the Ford administration testified 270 times in Capitol Hill within a single period of 15 months.

Most major problems today, Lynn observes, are not national problems or foreign problems, but cut across the responsibilities of several departments and agencies and do not fit into the present committee structure of the House and Senate.

Whether you are dealing with energy policy, or environment, policy, or exports, or drug abuse, Lynn says, you have to have interdepartmental committees of the executive and probably task forces from various committees of the Congress to analyze the facts and propose legislation.

But this, he points out, also cuts across the normal authority of the congressional committee chairmen, whose enthusiasm for sharing control over such subjects is not unbounded. Lance and Lynn will be talking a great deal more about these dilemmas in the next couple of weeks than they have in the past, but the obvious fact is that they will scarcely have time to define the problems before the inauguration on Jan. 20.

Bert Lance doesn't minimize these problems, but he is clearly

not a worrier, and he has no intention of making sweeping changes at OMB until he has had time to study his professional staff. He recalls that this was his cautious approach when he helped reorganize the Georgia government under Gov. Carter, and while Lynn has been too busy with the Ford budget to give much time to Lance, cooperation between the two staffs is expected to improve once the Ford budget is completed next week.

### His Position

Lance talks as if he were just one of the principal aides to the President-elect, who will be sitting in on these interdepartmental "clusters" on the budget along with Mike Blumenthal at Treasury and Charlie Schmitz, the chairman of the Council of Economic Advisers. But the power of the director of OMB is in direct relationship to his influence with the President, and on this ground he is at least the first among equals.

He is highly pleased with the atmosphere that has attended the pre-cabinet meetings on the budget so far. He is confident the interdepartmental committees will be able to reach common agreement on the options and recommendations sent to the President. The conversation has been frank and easy, he says, because these men "seem to have no ego," which it truly will break a tradition that goes back to Hamilton and Jefferson.

What is refreshing about Lance, however, is his quiet confidence that, whatever the cabinet tussles of the past and the policy and institutional differences with the Congress, the problems will prove to be manageable.

He will not be a barrier between the President and other members of the cabinet. As director of OMB, he will review their departmental requests, but they will have access to the President to appeal any changes he might make.

Also, Lance emphasizes Carter's mastery of detail, intellectual capacity to control his own budget, and personal ability to get strong characters to work together. Nobody will win a fight for Jimmy Carter's pleasure, Lance insists, for whenever two sides try it, both will lose. "All this is said in the gentlest way," Lance dressed in what he calls his "funeral suit," but there is nothing funeral about him. He looks as if he could cut a budget with a smile, and the chances are he will have to try it before long.

## Letters

### Champollion

Your report (JET, Dec. 28) about the lady who claims to have deciphered a musical setting to the Hebrew Old Testament stated that she was being compared in France to "Champollion...who deciphered Egyptian hieroglyphics with the Rosetta Stone." I had always understood that the principal credit for that deciphering belonged to an Englishman named Young. Does your paper have to perpetuate French chauvinistic attitudes?

Another point in the report that interested me was the statement that "three other volumes of the Bible appeared in the 9th and 10th centuries... one in Leningrad." With music by Shostakovich?

A.D. SIMONS.

Geneva.  
Editor's note: The uncharismatic Columbia Encyclopedia says: "The Rosetta Stone gave Champollion, Thomas Young and others the key to Egyptian hieroglyphics." The equally uncharismatic Encyclopedia Britannica says: "The celebrated Rosetta Stone which supplied Champollion with the key for decipherment of the ancient monuments of Egypt..."

### Bunk

The only comment that a lowly certified yachtsman like me can make on Capt. Papadopolos's testimony (JET, Dec. 29) is "bunk." First, the magnetic compass is not something "primitive"; it has steered countless ships in the last

century, and as far as I am concerned, it has guided my boat from Terschelling to Kristiansund (300 miles) with about 2 miles error at the arrival after 56 hours and no sights whatsoever. Of course, compasses have to be checked regularly for error (but that is basic seamanship...).

Second, it would be extremely strange if the Argo Merchant did not have radio direction finding equipment, permitting it, with less precision than the sextant, or even aids like Loran or Omega, to establish the ship's position, especially so near the coast, where there are numerous radio beacons.

Third, even if there was no RUP, but a functioning MF radiotelephone, it would have been possible to call the Coast Guard and ask them to take bearings on the ship's transmitter which would have given the same result.

Fourth, a line of soundings can also be used to establish a position, but it requires detailed charts of the area. Did the Argo Merchant have them?

My conclusion is that ships under flags of convenience are a menace, and that this menace is compounded when they are tankers. IMCO had better start acting fast!

JEAN SOMMERHAUSEN.

Brussels.

### Carter's Choices

Anthony Lewis complains that Carter's cabinet choices are old familiar faces. A consistent reader of Lewis's columns knows that this is surely Kissinger's fault.

A. DUVAUD.

Geneva.

## GOP Poser:

## Nonprivate

## Enterprise

By George F. Will

WASHINGTON.—The Republican party's principal problem may be that its principal idea is increasingly dubious. The Republican "idea" is that the economy conforms to the conventional model of profit-making private enterprise. But the inadequacy of this model is dramatized, with some statistical flamboyance, by Eli Ginzberg, an economist writing in the December issue of Scientific American.

Ginzberg believes this critical question is: What proportion of the economy's output is accounted for by activities outside the private, profit-oriented sector? His critical phrase is "accounted for," and he makes the most of its vagueness to reach the startling conclusion: One U.S. worker in three is "accounted for" by the "not-for-profit sector."

The generally accepted figure is that five out of six jobs are "based in" the private sector. But Ginzberg argues, plausibly, that "it makes no sense... to isolate direct government employment and call everything else private."

When missiles and naval ships are manufactured by Lockheed and Litton, the employees of those firms are, technically, in the private sector. But their wages come from government, and government absorbs their output. So Ginzberg is right when he argues that the private sector, at least as represented by such industries, "is not all that private."

But having made this valid point, Ginzberg skates onto thin ice:

"For years the Army has manufactured some of its ammunition in its own arsenal, whose workers have always been counted as government employees. It is hard to see the logic of classifying those who work for defense contractors as belonging in the private sector any more than the arsenal workers belong in it, since their output is absorbed by government." This principle of classification extends far beyond defense, seeking to draw realistic boundaries between the private and the not-for-profit sectors we believe all employment generated by government purchases of all kinds in the private sector must be counted as part of the not-for-profit sector.

On the basis of this arbitrary demarcation, he accepts that government purchases from the private sector amount to at least 9.9 per cent of gross national product and "represent" 8.4 per cent of total employment. Adding that to direct government employment (15.8 per cent), he concludes that "about one American worker in four depends for his job on the activities of government, directly or indirectly."

Clearly, some exaggeration results from Ginzberg's categories. But although Ginzberg's categories give an aspect of caricature, it is, like all caricature, an exaggeration of a fact. The fact is what Ginzberg says: "The American economy is much less private than either its defenders or critics have assumed."

Next, Ginzberg calculates that 7.7 per cent of U.S. employment either is in nonprofit institutions such as churches and colleges, or is derived from purchases they make in the private sector. Adding this 7.7 per cent to the 24.3 per cent "accounted for" directly or indirectly by government, Ginzberg decides that the "not-for-profit" sector "accounts for" at least 32 per cent of U.S. employment—one job in three.

In addition, he notes that 6 per cent of all U.S. workers are in transportation, communication, or production of power, industries that generally are "something less than completely private" because they "operate under government controls that restrict their freedom with respect to both prices and profits. And three other major industries—agriculture, banking and insurance—are at least partially under price and profit controls."

There is some artificiality in the categories Ginzberg uses. But Ginzberg's analysis dramatizes a legitimate point, a national problem, and a Republican dilemma: There is an artificial clarity in conventional talk about the U.S. "private enterprise" system. If the GOP presents itself simply as the defender of a pure "free enterprise system," the conservative party will be trying to conserve something that no longer exists.

Chairman  
John H. Whitney

Co-Chairman  
Katherine Graham

Arthur Ochs Sulzberger

Publisher  
Robert E. Eckert

Managing Editor  
George W. Bates

Editor  
Murray M. Weiss

Harry Beebe, Senior Editorial Writer

International Herald Tribune, S.A. et capital de \$20,000,000  
R.O. Paris 75 23 21 21 11 Rue de Berri, 75 008 Paris  
Tel.: 222-42-80 Telex: 290.040 Herald Paris  
Le Directeur de la publication: Walter D. Thompson  
© 1977 International Herald Tribune. All rights reserved.  
Compte de Chèques Postaux 24-32-33



## Five Years as a Prostitute

"You must not have too tender a heart. You must avoid thinking when you're a whore. Those two things are incompatible with the métier."—Jeanne Cordelier in "La Dérobade."

By Susan Heller Anderson

PARIS, Jan. 5 (NYT)—Jeanne Cordelier did not take her own advice. The result is a touching and shocking, emotional and thoughtful account of her five years as a prostitute.

"La Dérobade" presents an unjudgmental, unrepentant picture of the life of a whore. It is not pretty, peopled with brutal pimps, inhuman madams, greedy cops and clients with an array of sexual perversions. But this best seller offers something for everybody—men and women, voyeurs and feminists.

"I didn't set out to write an exposé," Miss Cordelier insists. "I'm not a spokesman for prostitutes. I simply wanted to write and it was natural that my first book was drawn from my own life."

## Nearly a Cliché

How it came to be published is nearly a cliché. In 1969, when she began the book, she met the niece of the writer Paul Guimard at the hairdresser's and she introduced Miss Cordelier to her uncle. He read the first chapters and encouraged her, saying to get in touch when she was finished. Five years, and 10 bulging, handwritten notebooks later, she recontacted Mr. Guimard, who sent her to an editor at Hachette. Mr. Guimard's daughter, the feminist writer Benoitte Groult, did the preface.

Sitting on the rug in her small Paris apartment, Miss Cordelier looks younger than 32. She seems vulnerable but open. After spilling her life onto 402 printed pages, she still finds it difficult to talk about.

In the book she never explains why she became a prostitute and even now, seven years later, she is still not sure. But her background is familiar.

"We were the marginals in life," she says of her family. "We were treated like dirt. I was fed up with being isolated, interrogated by the landlord, reading on the walls that my mother was a whore. I was fed up with taking the consequences for my father's years in prison."

"When I was a little girl, I didn't play with dolls or hoops. I played with kitchen knives and broken bottles," she writes.

Stalin made three attempts to eliminate religion by persecution in the 1920s and 1930s; all three failed. During and after World War II, the opening of new churches was allowed; about half were closed again in the early 1960s under Nikita Khrushchev.

"The church in our country will always exist because our country, by its Christian nature, has the richest soil for Christianity just now. There is suffering and persecution here. It is not those wallowing in luxury who clutch a straw," said Father Dmitri.

Although the book is not bit-

ter, it is brutal and angry. "Ugh! I detest my body. I discovered it too young . . ." she writes. She was raped by her father.

One prostitute in four was raped during childhood, most often by her father, and 49 per cent are younger than 17 when they first prostitute themselves, according to statistics in the preface. Seventy per cent come from poor suburbs or neighborhoods of Paris, like Miss Cordelier, or rural areas.

Miss Cordelier piled her trade in a house, in a bar, in front of a hotel, on the streets, in a car, and finally in an abattoir, a human meat market where she had 60 clients a day. "Each trick costs 25 francs," the madam told her. "Half for you, half for us. A trick lasts seven minutes beginning the instant you leave the bar with a client and ending when you return. If you exceed seven minutes, the fee goes to us."

## Half of Half

Half of the prostitute's half goes to her pimp. "All the girls I knew had pimps," Miss Cordelier explains. Her own was a frightening but pathetic "sub-man," as she calls him, in retrospect. "He tried to be a tough guy, but it was a joke. He was a weakling who trembled at the idea of losing me," she writes. "But I saw myself shrivel while he fed off me, stripping me night after night of my options."

The days of degradation at the hands of madams and clients were sometimes worse, and often dangerous. She was beaten many times, and threatened with guns and knives.

There is no protection for prostitutes. The arm of the law is never far away, but never on their side. Ever since Adam and Eve, women have been seen as leading innocent men astray. "For 20 centuries, all the rules and laws which codify prostitution have as their sole aim the protection of the client," Mrs. Groult writes in the preface. In France, prostitution is not illegal but soliciting is. The client is never charged.

Despite this, Miss Cordelier is against legalization. "It would just encourage young girls. Besides, it's really the pimps who are behind the movement to legalize," she says.

## Her Escape

Her escape from her pimp was frightening. "It didn't take long for me to realize that the life was suicide for me," she recalls. "But getting out was hard." Gérard dominated her totally. When she moved out, he followed her everywhere. She finally hid in her sister's closet for nearly a month. She had a nervous breakdown.

On the pretext of being reasonable, Gérard asked her to pick up her clothes. Taking the



Jeanne Cordelier, author and ex-prostitute.

precaution of being accompanied by her sister, her sister's pimp and her father, she went to the apartment and Gérard beat her into unconsciousness.

Literally running for her life, when her family finally rescued her, she fled from France, returning in 1974 with most of the book written. She uses a pseudonym to protect her family, with whom she is finally reconciled. "Success comes everything," she says. She is at work on a second book, a novel.

"La Dérobade" has sold more than 300,000 copies and is being translated into 15 languages. The word "dérobade" in this context is used in the equestrian sense and means to refuse a hurdle. It will be published in the United States by Mark Seaver, a division of Viking Press. Since the book came out last summer in French, Miss Cordelier has received hundreds of letters.

"Not a single one from a whore," she says sadly. "But I did what I could."

## After a Mastectomy, Plastic Surgery?

By Dee Wedemeyer

NEW YORK (NYT)—In an operation that is stirring debate in the medical profession, plastic surgeons are reconstructing the breasts of women who have had mastectomies.

Some reconstructions have been done in past decades but the old procedure involved transplanting skin and tissue from other parts of the body in stages and was criticized because it was aesthetically unsuccessful and because it created scars.

Surgeons say reconstruction has been facilitated by the development of a silicone gel implant, an effort pioneered in 1962 by Dr. Thomas Cronin, a Houston surgeon, whose first implant was used for breast augmentation. Since then the implant has been significantly improved and several other designs developed.

Plastic surgeons also say that patients who had undergone severe radiation treatment that had damaged blood circulation in the breast area; where skin grafts had been used to close the mastectomy wound, resulting in a tight, thin skin, plastered to the chest wall; and in radical mastectomies in which pectoral muscles are removed, causing a hollow area that is difficult to fill in.

"It might be such a monumental job in some cases that it is possible but not practical," said Dr. Cronin.

Reconstruction has met with resistance from some cancer sur-

geons who fear that plastic surgery will cause compromise to be made in the cancer surgery in order to facilitate reconstruction.

"Madness," said Dr. C. D. Haegensen, emeritus professor of surgery at Columbia University and a longtime advocate of radical mastectomies.

Dr. Haegensen said he believed cancer could be spread by another operation, that the cosmetic results he had seen were not aesthetically successful and that if there was enough skin left to do an implant, he believes the surgery was not radical enough, and the patient had less chance for survival and that to do plastic surgery on a patient who might die was "unconscionable."

Figures on how many surgeons are performing the operation or how many women have had reconstruction are not available. But in 1975, doctors at Vanderbilt University sent a questionnaire to 1,536 plastic surgeons in the United States and Canada. Of the 795 who replied, 359 had performed 1,186 breast reconstructions.

Some surgeons are circumspect in their assurances, trying not to raise unreasonable expectations, promising only a breast that will free a woman from a prosthesis and be convincing under clothes or in a bathing suit or low-cut dress.

Some doctors felt this position on cosmetic improvement did not go far enough. "That's falling

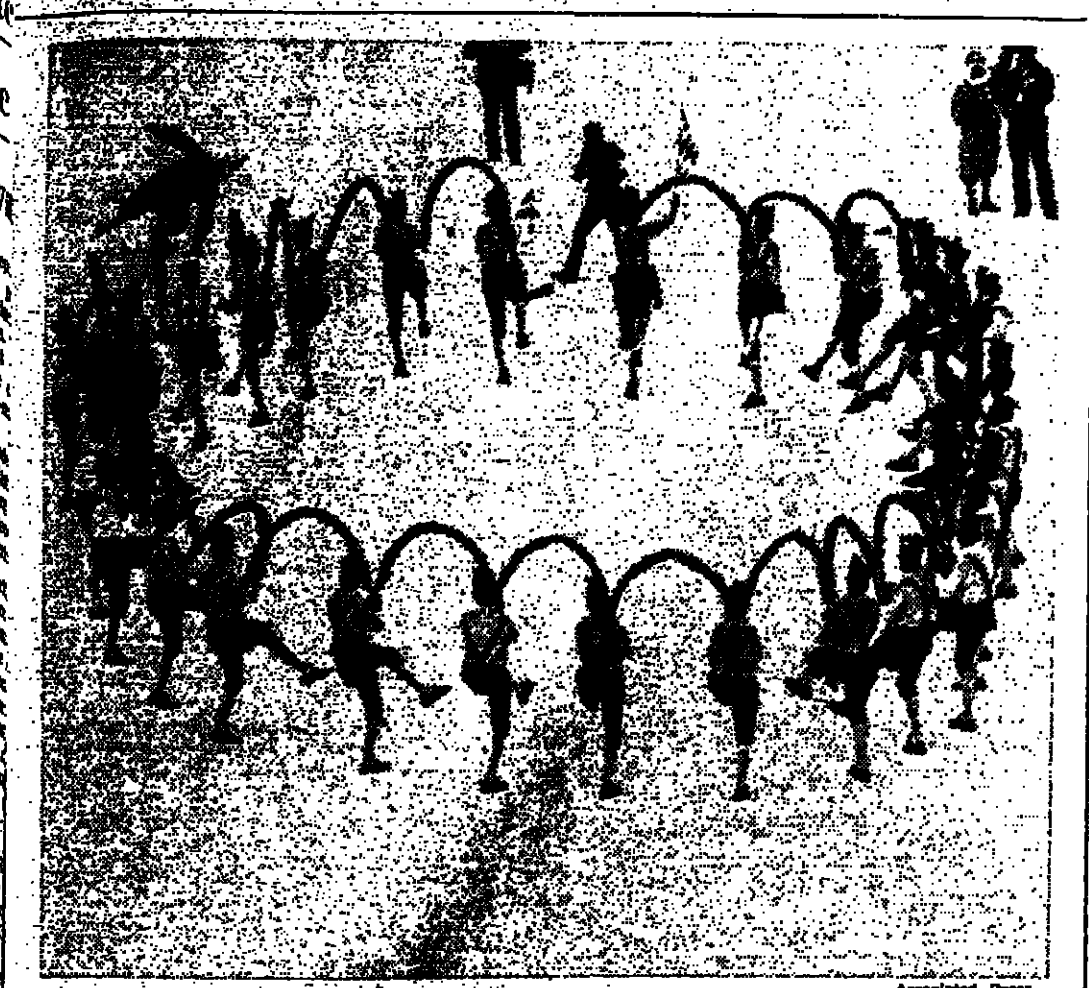
short of the possibilities," said Dr. Ralph Millard Jr., professor of plastic surgery at the University of Miami School of Medicine. "Our goal, as in all plastic surgery, is to make them look better than they did before."

The operation can be a simple procedure requiring an incision and insertion of a bag of silicone gel—not to be confused with the controversial silicone liquid injections.

However, for some patients with insufficient skin to cover an implant, a flap of skin from another part of the body must be incised into the area. The procedure can require several hospitalizations.

"Banking" Where the plastic surgeons have worked with the cancer surgeons, they are in some cases preserving the original areola-nipple complex by "banking" it on another part of the body, frequently the lower abdomen, until it can be reused in reconstruction.

Gradually cancer surgeons are coming to support the operation. Among them is Dr. Jerome Urban, attending surgeon at Memorial Sloan Kettering in New York. He said reconstruction was an incentive to some women to come early for cancer diagnosis, and he said he had no objection, provided the removal of the cancer still had priority. "It is better to have a live patient than a reconstructed one," said Dr. Urban. "Otherwise I think more power to the plastic people."



ICE DANCE—Members of the barrel-makers guild in Bavaria performing a dance on the ice at Garmisch-Partenkirchen, an event held every seven years since Middle Ages when members vowed to do so in thanks for their escaping plague.

## Contradiction Is Denied in Practice

## Christianity and Marxism Coexist in Russia

By David K. Shipler

MOSCOW, Jan. 5 (NYT)—Some months ago a 15-year-old Armenian walked into a church in Baku. She crossed herself, lit a candle and bowed her head in a brief prayer.

All was not as it appeared. Both her parents are Communist party members, and she belongs to Komsomol, the young Communist defense corps.

She said that her visits to the church, made frequently after school, were kept secret from her mother and father.

She has no difficulty reconciling her Communist affiliation with her religious faith, she explained, adding: "It's easy. When they ask at the Komsomol committee if I believe in God, I say, 'No.'"

Throughout the Soviet Union, from rural villages in the Caucasus to industrial cities in Russia, Christianity and Communism have attained an uneasy coexistence. Neither the tenets of the faith nor the demands of the party are in any way compromised.

At the same time, the party purchases the rights of believers to amount to have done away with the church and of the state to have an important dimension of life and "repress" the church.

While religious freedom is guaranteed by the Constitution, religious activity is severely circumscribed by law and it is limited even further by the uncodified practices of employers, teachers, and party officials and others in a Ginzberg's disposition to exert informal pressure through Ginzberg's on and discrimination against an aspect of believers. Yet, the society is permeated by those who call themselves Christians.

Their numbers in the population of 250 million are uncounted. In either its demographic or its religious dimensions, they can estimate that there are at least 30 million members of the Orthodox Church—double the size of the Communist party—plus 15 million Roman Catholics and 10 million Baptists, Pentecostals, Seventh-day Adventists and other Protestant sects.

Some are open dissidents but decide that the many are well-integrated dissidents. Others, perhaps party members, are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties.

Some wear crosses and fill the church with their religious activities. Others read the Bible and pray. Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties.

Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties.

Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties.

Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties.

Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties.

Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties.

Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties.

Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties.

On another level, the church is a community, providing a feeling of belonging. Lev Kopelev, a Jew and a writer who spent 10 years in a labor camp with Alexander Solzhenitsyn, explains it with the Russian word "sobor," which means congregation, cathedral, council, synod. "The party is also a sobor," Mr. Kopelev said. "The church is the meekest one. The church does not make demands or press so much."

For some minorities in the Soviet Union—Latvian Roman Catholics, Georgians, Armenians—organized religion can be a repository of minority culture and ethnic heritage held fast against the dominant Russians.

For the Russians, the Russian Orthodox Church can serve the same function, underscoring their ethnicity, drawing a certain line between Russianness and Communism.

The sense of vacuum worries some parents. An engineer who has been rather nonreligious in his adult life hopes that his children will be closer to the church, "so they are stronger than cynics," as they have an inner "ty as a base." For some, then, a step toward the church becomes an effort to gain some subtle measure of personal philosophical independence.

"Official religion," a mathematician explained, "is the only permissible outlook other than Marxism-Leninism."

Some wear crosses and fill the church with their religious activities. Others read the Bible and pray. Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties.

Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties.

Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties.

Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties.

Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties.

Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties.

Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties.

Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties.

Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties.

Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties.

Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties.

Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties. Some are drawn to the church by its historical, cultural, and social ties.

## CPC/Europe

CPC Europe Ltd., one of Europe's largest groups of food companies, with annual sales over one billion dollars and 19,400 employees, operating in 22 countries in Europe, the Middle East and Africa, and manufacturing a wide variety of consumer and industrial products, has an excellent career opportunity in its European Headquarters in Brussels, Belgium for a

## lawyer

Responsibilities will include assisting the Company Counsel in the handling of diverse assignments concerning both Commercial and Company Practice in many countries; substantial travel will be involved.

Candidates should have two or three years legal experience post qualification, preferably in an industrial company or in Commercial Practice. Complete fluency in English is required; a working knowledge of French and/or German would be helpful.

Solicitors or Barristers interested in furthering their legal career through experience in an international environment are requested to write to the Manager, Manpower Planning & Development, CPC Europe Ltd., Tour Louise, avenue Louise 149, bte 13, 1050 Brussels, Belgium.

## EXPORT WORK

## WE ARE A LEADING FRENCH METAL FABRICATOR

Located in the Paris area, doing a substantial amount of business with international Engineering Contractors and Chemical Companies. To assist in our export department, we are looking for a

## HARD DRIVING YOUNG MAN

English mother-tongue. Working knowledge of French as well as a technical background is highly desirable.

A valid driver's licence is required.

Please reply in confidence with resume to: BPOEN, No. 59756Y, 17 Rue Label, 94300 Vincennes.

## EUROPEAN OPERATIONS DIRECTOR

An experienced Executive is required to set up and administer a Company in Europe.

The objects of the Company would be to market the Products of a well-known United States Company and an equally well-known British Company who have worked in cooperation for some fifteen years in their respective home markets and now wish to launch a joint operation throughout Western Europe. The Companies involved manufacture a large range of equipment for use in hotel, industrial and domestic kitchens.

It would be intended that initially the headquarters of the operation should be in the United Kingdom. When the scheme is seen to operate efficiently and the volume of trading has reached a satisfactory level, then it is probable that the operation will be moved to an independent establishment on the European Continent.

The successful applicant would hold the position of Chief Executive of Operations reporting direct to the Chairman of the Board. He would be totally responsible for Marketing, Purchasing, Accounts and general administration. Salary by negotiation.

Please write with full curriculum vitae to: Box No. RD. 3932, c/o Extel PR Services, Pemberton House, East Harding Street, London EC4A 3JD.

## US Taxation

## SALARY NEGOTIABLE

Peat Marwick, Mitchell & Co. require an assistant in the personal tax department to help advise their American clients.

The position requires at least two years' experience of U.S. taxation and the ability to get on well with clients. Some knowledge of U.K. taxation would be an advantage but is not essential.

Please apply in writing to:

D. S. Tuks, 1 Puddle Dock, Blackfriars, London, EC4V 3PD



The International Air Transport Association (IATA) requires an

## INDUSTRY DEVELOPMENT OFFICER

In Geneva, Switzerland. The successful applicant will report to the director, industry development, and work in the area of research analysis, speech, report and position-paper writing. Candidates must be of English mother tongue, a second language, French or Spanish, would be desirable. It would be advantageous for the applicant to have a university degree, preferably in economics, have experience in speech-writing and have worked in international aviation. Salary will be commensurate with experience. We provide an excellent pension plan and other fringe benefits.

Please apply in writing with a resume to: Director of Personnel, IATA, 26 Ch. de Jolimville, P.O.B. 168, 1216 Coligny, Geneva, Switzerland.

## FINANCIAL ARAB GROUP

has the following vacancy for its NEW BANK IN PARIS

## DEALERS IN FOREIGN CURRENCIES

- Minimum experience 2 years
- Preferably good knowledge of the Middle East money market, especially Gulf and Saudi Arabia markets, and of the Arabic language

Send curriculum vitae, photograph and position applied for, to: No 8003, AXIAL Publicité, 91, Fbg Saint-Honoré 75008 Paris, who will forward.

All applications will be treated in strict confidence.

## EXECUTIVES AVAILABLE

## SALES - MARKETING - GENERAL MANAGER

Young Lebanese, age 38, fluent in English, French & Arabic. Holds MA business administration & economics degrees. Over 15 years experience with multinational companies in sales, marketing & general management of joint ventures; manufacturing & distribution of consumer & specialty products. Held top managerial responsibilities, leadership qualities, growth & profit oriented, achieving multimillion-dollar sales annually. Extensive travelling in Middle East, North & East Africa. Excellent contacts at all local business, banking & government levels. Seeking challenging similar career position with serious employer. Presently living in Paris, yet ready to relocate. Remuneration negotiable. Available at one month's notice.

Please write in confidence to: Box D-5379, Herald Tribune, Paris.



**INTERNATIONAL HERALD TRIBUNE, THURSDAY, JANUARY 6, 1977**

[illegible]



## U.K. Cuts Its Forecast On Rise in Co. Outlays

LONDON, Jan. 5 (AP-DJ).—British manufacturers plan to increase their capital spending 10 to 15 per cent this year, according to a survey by the Department of Industry, sharply below previous government forecasts on industrial investment plans for this year.

## West German Jobless Rate Soars in Dec.

MUNICH, Jan. 5 (Reuters).—The number of unemployed workers in West Germany rose a sharp 10 per cent to more than one million in December, the Federal Labor Office here said today.

It said 1,089,000 people, 43 per cent of the work force, were out of work last month, an increase of 105,200 over the November figure. The number of workers on short time rose by 45,000 to 13,800.

The jobs total in West Germany last exceeded a million in April.

The increase added further fuel to a debate on whether working hours should be cut to provide more jobs.

A political controversy was sparked last Sunday by a suggestion from Helmut Schmidt, Chancellor of the Federal Republic, that the central trade union federation, the DGB, should consider a 4 per cent wage cut to help pay for the extra hours.

This idea was rejected by Chancellor Schmidt's government, but was backed yesterday by a research institute attached to the Labor Office which said an extra 100,000 jobs could be provided if everyone worked one day less a week.

Mr. Schmidt has been at pains to point out that he was not putting forward a formal plan but merely advancing a topic for discussion.

The government has made cutting unemployment its top domestic priority and recently announced a 1.6-billion-deutsche mark program of measures to make more jobs available and help those out of work.

The number of unemployed had been widely expected to rise above one million last month, largely because of slackening demand in key sectors in the depths of winter. But some government officials expressed disappointment that the increase was so great.

About 48 per cent of the total work force is now without a job, compared with 43 per cent in November. Some 61 per cent of women and 48 per cent of foreigners seeking a job cannot get one.

The Labor Office also reported a drop in job vacancies, down by 14,300 to 185,900.

In Frankfurt, the Bundesbank reported that the nation's current account showed a provisional surplus of 1.83 billion DM in November after October's deficit of 204 million DM and the deficit of 204 million DM in November 1976, the bank said.

The downturn was due to outflows of short-term capital following the currency realignment in mid-October, the Bundesbank said.

The current account includes the trade balance and services and transfer payments.

The overall balance of payments, which includes capital movements, showed a provisional deficit of 2.5 billion DM for November after October's surplus of 1.04 billion DM and the deficit of 204 million DM in November 1976, the bank said.

The downturn was due to outflows of short-term capital following the currency realignment in mid-October, the Bundesbank said.

The current account includes the trade balance and services and transfer payments.

The overall balance of payments, which includes capital movements, showed a provisional deficit of 2.5 billion DM for November after October's surplus of 1.04 billion DM and the deficit of 204 million DM in November 1976, the bank said.

## U.S. Seen Ending DISC Tax Plan

NEW YORK, Jan. 5 (AP-DJ).—U.S. tax authorities are predicting that the Domestic International Sales Corporation (DISC) soon will be buried by the Carter administration.

DISC, which was created in 1971, permitted U.S. corporations to form subsidiaries to consolidate all their income from exports and only 50 per cent of that income was immediately taxable.

At the time, DISC was heralded in Washington as a vitally needed incentive to increase overseas shipments, bring in badly needed money from abroad and create more jobs at home. Although it is debatable how much credit falls to DISC, U.S. exports have since risen sharply.

DISC understandably became the darling of the exporters, winning high praise from the likes of General Electric, Caterpillar Tractor and FMC Corp.

But it was not so popular with others. It was castigated by foreign governments as illegal and by domestic critics as a sellout to big business. Then, it was characterized by Congress as useless.

"The DISC subsidy can't be justified," Sen. Edward Kennedy, D-Mass., said, summing up the disenchantment on Capitol Hill.

Accordingly, in the tax-revision law passed last summer, Congress made it much tougher for companies to get DISC tax breaks. Many experts see Mr. Carter ending the program.

DISC's decline already has dragged down 1976 profits of many of the additional exporters generated by DISCs were at the expense of domestic sales," a Treasury report says in a footnote, "and did not contribute to overall employment levels."

That footnote may come in handy soon. The Carter administration is expected to oppose DISC, and as one economist says, "The Carter people will be able to use those Treasury statistics and prove what they want to prove."

A recent finding by a panel of the Geneva-based General Agreement on Tariffs and Trade says DISCs are nothing more than direct and illegal subsidies. The tax break violates GATT rules because it gives U.S. exporters an unfair advantage over their overseas competitors, the GATT panel said. At the same time, though, three other GATT panels said that France, Belgium and the Netherlands also give their exporters questionable tax breaks.

The trade deficit in 1971 was about \$2.5 billion but by 1975 a whopping \$11.05-billion surplus was reported. (A trade deficit of more than \$5 billion is expected for 1976, but that is not the fault of exports. As of November, they were up to \$104.48 billion, a hefty \$4.5 billion above the year-earlier 11-month period. Rather, the anticipated deficit is the result of a huge increase in imports.)

When Congress examined the tax laws last year, the question was whether DISC was responsible for the export surge. A congressional staff report said it was not. "Less than 1 per cent of the increase (in exports) is attributable to the establishment of DISC," the report said.

If praise need be given, the report added, it should be to the devaluation of the dollar and the climbing inflation rates overseas.

So Congress devised a new formula that as of last fall made the tax break available only to the extent that a company with a DISC subsidiary increases its exports over a base period. The effect is that companies just entering the export business benefit the most because their exports in the base period were zero.

The new formula was made retroactive to Jan. 1, 1976, which has stirred some ire in the business community.

One of DISC's staunchest defenders has been the Treasury under the Nixon and Ford administrations. Based on a loose formula worked out by its statisticians, the Treasury has said DISC has created 300,000 jobs since its inception. "The figures are very imprecise," a Treasury aide cautions, "and the same statisticians freely say the same figures could be used to show that DISC has not created any jobs. 'It is possible that some of the additional exports generated by DISCs were at the expense of domestic sales,' a Treasury report says in a footnote, 'and did not contribute to overall employment levels.'"

That footnote may come in handy soon. The Carter administration is expected to oppose DISC, and as one economist says, "The Carter people will be able to use those Treasury statistics and prove what they want to prove."

A recent finding by a panel of the Geneva-based General Agreement on Tariffs and Trade says DISCs are nothing more than direct and illegal subsidies. The tax break violates GATT rules because it gives U.S. exporters an unfair advantage over their overseas competitors, the GATT panel said. At the same time, though, three other GATT panels said that France, Belgium and the Netherlands also give their exporters questionable tax breaks.

The trade deficit in 1971 was about \$2.5 billion but by 1975 a whopping \$11.05-billion surplus was reported. (A trade deficit of more than \$5 billion is expected for 1976, but that is not the fault of exports. As of November, they were up to \$104.48 billion, a hefty \$4.5 billion above the year-earlier 11-month period. Rather, the anticipated deficit is the result of a huge increase in imports.)

When Congress examined the tax laws last year, the question was whether DISC was responsible for the export surge. A congressional staff report said it was not. "Less than 1 per cent of the increase (in exports) is attributable to the establishment of DISC," the report said.

If praise need be given, the report added, it should be to the devaluation of the dollar and the climbing inflation rates overseas.

So Congress devised a new formula that as of last fall made the tax break available only to the extent that a company with a DISC subsidiary increases its exports over a base period. The effect is that companies just entering the export business benefit the most because their exports in the base period were zero.

The new formula was made retroactive to Jan. 1, 1976, which has stirred some ire in the business community.

One of DISC's staunchest defenders has been the Treasury under the Nixon and Ford administrations. Based on a loose formula worked out by its statisticians, the Treasury has said DISC has created 300,000 jobs since its inception. "The figures are very imprecise," a Treasury aide cautions, "and the same statisticians freely say the same figures could be used to show that DISC has not created any jobs. 'It is possible that some of the additional exports generated by DISCs were at the expense of domestic sales,' a Treasury report says in a footnote, 'and did not contribute to overall employment levels.'"

That footnote may come in handy soon. The Carter administration is expected to oppose DISC, and as one economist says, "The Carter people will be able to use those Treasury statistics and prove what they want to prove."

A recent finding by a panel of the Geneva-based General Agreement on Tariffs and Trade says DISCs are nothing more than direct and illegal subsidies. The tax break violates GATT rules because it gives U.S. exporters an unfair advantage over their overseas competitors, the GATT panel said. At the same time, though, three other GATT panels said that France, Belgium and the Netherlands also give their exporters questionable tax breaks.

The trade deficit in 1971 was about \$2.5 billion but by 1975 a whopping \$11.05-billion surplus was reported. (A trade deficit of more than \$5 billion is expected for 1976, but that is not the fault of exports. As of November, they were up to \$104.48 billion, a hefty \$4.5 billion above the year-earlier 11-month period. Rather, the anticipated deficit is the result of a huge increase in imports.)

## Traders Await Carter Plan

## Wall Street Losses Mount As Profit-Taking Quickens

NEW YORK, Jan. 5 (Reuters).—Prices fell sharply again today on the New York Stock Exchange.

Profit-taking and disappointment over the market's sloppy performance since the turn of the year headed the list of depressants for the market.

They suggested, too, that many traders were waiting for President-elect Jimmy Carter to outline his strategy for economic recovery. Late in the afternoon there was a report that he may delay his outline, which had been expected this week.

Losses of a point or more were evident in most major stock groups, although blue chips and top quality glamour stocks seemed to encounter the stiffest selling pressure.

"Everybody did a lot of buying in December in anticipation of a strong January," said one analyst. "And when the uptick did not materialize, it prompted a wave of profit-taking," he said.

The Dow Jones Industrial average, down 7.40 at 3 p.m., ended the day at 978.06 for a loss of 9.81 points.

In the three trading days of this year, the Dow index has plummeted about 27 points, due mainly to profit-taking.

Volume today totaled 25.01 million shares, compared with 22.7 million yesterday.

Great Atlantic & Pacific Tea slipped 1 3/8 to 13 3/8. It reported higher third-quarter earnings but said "assessing sales trends in store operations continued to be evident."

Lubrizol lost 1 1/8 to 35 5/8. The company said it repurchased a block of 625,000 common shares.

Masco fell 1 1/2 to 23 3/4 and Embair was down 1 1/2 to 34. They were among several stocks noted in a bearish comment on the housing industry. Carrier, Westwood Enterprises and Skyline, also mentioned in the report, surrendered fractions.

Among some Wall Street favorites, Du Pont was up 1/2 to 133 1/2, IBM rose 5/8 to 273 5/8 and AT&T traded to 63, up 1/8. But General Motors finished

SEC to Seek Data

The internationalization of securities markets also is producing pressures for more data on foreign investors. SEC sources disclose that in a few days the commission will consider proposals to require all U.S. broker-dealers to elicit an agreement from customers that the customers will supply to the SEC, on request, the identities of the beneficial owners of all accounts.

The measure would be directed primarily at obtaining more data on European investors. Much of their U.S. trading comes in the names of their broker-dealers. Data about the beneficial ownership of U.S. accounts already is obtainable by the SEC via subpoenas.

If, under the possible rule, a U.S. broker-dealer cannot get such a disclosure agreement from a customer, the customer would effectively be barred from placing any securities orders in the United States.

In the Big Board membership area, the five European commercial banks that operate Euro-partners are Combank, Banco di Roma, Bank Leu, Credit Lyonnais and Nordbank. A London-based consortium of Scandinavian banks.

The six operators of SoGen-Swiss are Credit Suisse, Amsterdam-Rotterdam Bank, St. Générale and St. Générale Alsacienne, and St. Générale de Banque and Sofina, both based in Brussels.

The six operators of SoGen-Swiss are Credit Suisse, Amsterdam-Rotterdam Bank, St. Générale and St. Générale Alsacienne, and St. Générale de Banque and Sofina, both based in Brussels.

The six operators of SoGen-Swiss are Credit Suisse, Amsterdam-Rotterdam Bank, St. Générale and St. Générale Alsacienne, and St. Générale de Banque and Sofina, both based in Brussels.

The six operators of SoGen-Swiss are Credit Suisse, Amsterdam-Rotterdam Bank, St. Générale and St. Générale Alsacienne, and St. Générale de Banque and Sofina, both based in Brussels.

The six operators of SoGen-Swiss are Credit Suisse, Amsterdam-Rotterdam Bank, St. Générale and St. Générale Alsacienne, and St. Générale de Banque and Sofina, both based in Brussels.

The six operators of SoGen-Swiss are Credit Suisse, Amsterdam-Rotterdam Bank, St. Générale and St. Générale Alsacienne, and St. Générale de Banque and Sofina, both based in Brussels.

The six operators of SoGen-Swiss are Credit Suisse, Amsterdam-Rotterdam Bank, St. Générale and St. Générale Alsacienne, and St. Générale de Banque and Sofina, both based in Brussels.

The six operators of SoGen-Swiss are Credit Suisse, Amsterdam-Rotterdam Bank, St. Générale and St. Générale Alsacienne, and St. Générale de Banque and Sofina, both based in Brussels.

The six operators of SoGen-Swiss are Credit Suisse, Amsterdam-Rotterdam Bank, St. Générale and St. Générale Alsacienne, and St. Générale de Banque and Sofina, both based in Brussels.

## Money-Mart Rise in Rates Sows Unrest

## Analysts Aver Policy At Fed Is Unchanged

NEW YORK, Jan. 5 (AP-DJ).—Maneuvering by U.S. banks to dress up their 1976 financial statements is causing the Federal Reserve's monetary policy to appear tighter than it actually is.

That, at least, is the view of a number of analysts who closely follow developments in the money market.

In the first two business days of the year, the rate on so-called federal funds has traded as high as 5 1/16 per cent, well above the 4 5/8-per-cent rate presumed to be the Fed's target for the key rate in the closing weeks of last year.

The sharp rise in the funds' rates, coupled with the absence of any countervailing move by the Fed, has prompted some traders to conclude the Fed had tightened its credit reins.

"Window Dressing" Cited

But analysts say that year-end "window dressing" by banks had made the funds rate meaningless this week either as a guide for the Fed or for Fed watchers. Therefore, they add, it is highly unlikely that the Fed tightened its policy, as some traders concluded.

In window dressing, banks try to show the least amount of federal-funds borrowing as possible on their year-end financial statements. At the same time, however, the banks must make sure they have enough reserves on hand to back up deposits, as required by banking regulators.

Under those regulations, the amount of reserves is computed as the average on hand at a bank each day of a statement week, which ends on a Wednesday. Thus, a bank can have no reserves for some days and have more than necessary on the remaining days and still meet their requirements.

Borrowing Held Low

Because last Friday was the final day of 1976, many banks decided to keep their funds borrowing as low as possible that day and allow reserves to sink well below their required levels. Thus, for three out of seven calendar days, many banks had fewer reserves than they actually needed. To make up for the difference, they had to borrow federal funds heavily this week, pushing interest rates sharply upward on funds.

The pattern is reflected in the average rates on funds in recent days. On Friday, for instance, the average rate on federal funds dropped to 4.17 per cent when borrowing slumped; it jumped to 4.89 per cent Monday and hovered around 4 3/4 per cent yesterday.

The rate today opened at 4 11/16 but fell to 4 1/4 after heavy intervention by the Fed.

Despite the upward move in recent days, the rate in the statement week ending Wednesday could average less than the previous week's 4.58 per cent, estimates Lawrence Knudov, a vice president of Paine, Webber, Jackson & Curtis. That is because of the low Friday average that carries over for the whole week-end.

Other major oil concerns will be able to more than fill their U.K. crude requirements with their North Sea production.

John Greenborough, Shell U.K. chief executive, said that the buy-back arrangement made the deal possible. And an Esso spokesman said: "We were after security of supply, and under the agreement we have got it."

However, the arrangements still permit the government the political advantage of declaring that it holds an option on over almost half of the oil to be produced in the U.K. sector of the North Sea in the 1980s.

Shell and Esso operate in some of the richest known fields in the North Sea, including Brent, Auk, Cormorant, and Dunlin.

Under the arrangements, the state-owned British National Oil Corp. (BNOC) will become a joint licensee holder with Shell and Esso in their U.K. North Sea operations. BNOC will have a vote, but not a veto, in the development and operations of the fields and related facilities.

The mainstay of the participation accord is the option they give BNOC to purchase at market prices up to 51 per cent of the oil produced by Shell and Esso in the area.

Under the arrangements, the state-owned British National Oil Corp. (BNOC) will become a joint licensee holder with Shell and Esso in their U.K. North Sea operations. BNOC will have a vote, but not a veto, in the development and operations of the fields and related facilities.

The mainstay of the participation accord is the option they give BNOC to purchase at market prices up to 51 per cent of the oil produced by Shell and Esso in the area.

Under the arrangements, the state-owned British National Oil Corp. (BNOC) will become a joint licensee holder with Shell and Esso in their U.K. North Sea operations. BNOC will have a vote, but not a veto, in the development and operations of the fields and related facilities.

The mainstay of the participation accord is the option they give BNOC to purchase at market prices up to 51 per cent of the oil produced by Shell and Esso in the area.

Under the arrangements, the state-owned British National Oil Corp. (BNOC) will become a joint licensee holder with Shell and Esso in their U.K. North Sea operations. BNOC will have a vote, but not a veto, in the development and operations of the fields and related facilities.

The mainstay of the participation accord is the option they give BNOC to purchase at market prices up to 51 per cent of the oil produced by Shell and Esso in the area.

Under the arrangements, the state-owned British National Oil Corp. (BNOC) will become a joint licensee holder with Shell and Esso in their U.K. North Sea operations. BNOC will have a vote, but not a veto, in the development and operations of the fields and related facilities.

The mainstay of the participation accord is the option they give BNOC to purchase at market prices up to 51 per cent of the oil produced by Shell and Esso in the area.

## RCA Withdraws 5-Million-Share Stock Offering

NEW YORK, Jan. 5 (Reuters).—RCA Corp. is seeking the approval of the Securities and Exchange Commission to withdraw a proposed public offering of five million shares of common stock.

RCA said today it decided to withdraw the issue because of its "steadily improving operating results, its increased cash flow and its enhanced prospects for future earnings."

The company said that "these developments have strengthened RCA's financial structure and the proposed public offering is not considered advisable under existing conditions."

The company currently has about 75 million shares outstanding. The news was well received on Wall Street, where the price rose 3/8 to 26 3/4.

RCA filed for the offering on Aug. 26 but suspended it when Anthony Conrad resigned as chairman and chief executive officer after disclosing his failure to file personal income tax returns from 1971 through 1975.

An investigation by independent counsel found Mr. Conrad's actions were not related to the corporation's business.

Under the arrangements, the state-owned British National Oil Corp. (BNOC) will become a joint licensee holder with Shell and Esso in their U.K. North Sea operations. BNOC will have a vote, but not a veto, in the development and operations of the fields and related facilities.

The mainstay of the participation accord is the option they give BNOC to purchase at market prices up to 51 per cent of the oil produced by Shell and Esso in the area.

Under the arrangements, the state-owned British National Oil Corp. (BNOC) will become a joint licensee holder with Shell and Esso in their U.K. North Sea operations. BNOC will have a vote, but not a veto, in the development and operations of the fields and related facilities.

The mainstay of the participation accord is the option they give BNOC to purchase at market prices up to 51 per cent of the oil produced by Shell and Esso in the area.

Under the arrangements, the state-owned British National Oil Corp. (BNOC) will become a joint licensee holder with Shell and Esso in their U.K. North Sea operations. BNOC will have a vote, but not a veto, in the development and operations of the fields and related facilities.

The mainstay of the participation accord is the option they give BNOC to purchase at market prices up to 51 per cent of the oil produced by Shell and Esso in the area.

Under the arrangements, the state-owned British National Oil Corp. (BNOC) will become a joint licensee holder with Shell and Esso in their U.K. North Sea operations. BNOC will have a vote, but not a veto, in the development and operations of the fields and related facilities.

The mainstay of the participation accord is the option they give BNOC to purchase at market prices up to 51 per cent of the oil produced by Shell and Esso in the area.

Under the arrangements, the state-owned British National Oil Corp. (BNOC) will become a joint licensee holder with Shell and Esso in their U.K. North Sea operations. BNOC will have a vote, but not a veto, in the development and operations of the fields and related facilities.

The mainstay of the participation accord is the option they give BNOC to purchase at market prices up to 51 per cent of the oil produced by Shell and Esso in the area.

Under the arrangements, the state-owned British National Oil Corp. (BNOC) will become a joint licensee holder with Shell and Esso in their U.K. North Sea operations. BNOC will have a vote, but not a veto, in the development and operations of the fields and related facilities.

The mainstay of the participation accord is the option they give BNOC to purchase at market prices up to 51 per cent of the oil produced by Shell and Esso in the area.

Under the arrangements, the state-owned British National Oil Corp. (BNOC) will become a joint licensee holder with Shell and Esso in their U.K. North Sea operations. BNOC will have a vote, but not a veto, in the development and operations of the fields and related facilities.

The mainstay of the participation accord is the option they give BNOC to purchase at market prices up to 51 per cent of the oil produced by Shell and Esso in the area.

Under the arrangements, the state-owned British National Oil Corp. (BNOC) will become a joint licensee holder with Shell and Esso in their U.K. North Sea operations. BNOC will have a vote, but not a veto, in the development and operations of the fields and related facilities.

The mainstay of the participation accord is the option they give BNOC to purchase at market prices up to 51 per cent of the oil produced by Shell and Esso in the area.

## Reserves Fall In U.K. but Pound Gains

LONDON, Jan. 5 (Reuters).—Britain's monetary reserves tumbled to an uncomfortably low \$4.19 billion in December, the Treasury announced today.

The fall was chiefly due to the repayment of \$1.54 billion borrowed from foreign central banks in the last six months of 1976 when the pound went into a dramatic nosedive.

But the loss of reserves was softened by the knowledge that new funds were on the way. Monday, the International Monetary Fund approved the first instalment of a \$3.9-billion loan for Britain.

The decline was widely anticipated and sterling was able to move steadily ahead on foreign exchange markets during the week, closing at \$1.71, up from \$1.702 yesterday.

The exchange market seemed undismayed by reports from Tokyo that the Bank of Japan's governor, Teichiro Morinaga, had expressed doubts about prospects for an early agreement on an international accord to help Britain cope with its \$5 billion of foreign-held sterling balances.

British sources added, however, there is still a general international consensus that some form of solution to the problem of sterling balances should be worked out. The differences of view among certain nations concern the means of achieving a solution rather than any objection to actually achieving agreement. However, it is unlikely that such agreement will be reached at a meeting of central bankers set for Feb. 15.

The net fall in reserves between November and December was \$1.027 billion. It would have been more but for borrowings from abroad by state institutions and according to banking sources, some discreet selling of pounds by the Bank of England during December when sterling seemed to have come through the worst of the storm.

The repayment of \$1.54 billion represented the sum used up from a standby credit of \$5 billion granted by foreign banks last June.

The money from the IMF will now be fed into the Bank of England's coffers to restore the reserves to a more comfortable level.

Canadian Reserves Up

OTTAWA, Jan. 5 (Reuters).—Canadian holdings of U.S. dollars in official international reserves rose \$738.5 million in December to \$3,445 billion, Finance Minister Donald MacDonald said today.

The committee is empowered to review in particular the provisions of funds for industry and trade, to consider what changes are required in the existing arrangements for the supervision of these institutions, including possible extension of the public sector, and to make recommendations.

Committee members include Murray, general secretary of the Trade Union Congress; David, chairman of Unilever Ltd.; and Sir John Pridemore, chairman of National Westminster Bank.

## Meeting Expected to Be Held Tomorrow

## NYSE to Consider Admitting Foreigners

NEW YORK, Jan. 5 (AP-DJ).

After long prodding by the Securities and Exchange Commission and Congress, the New York Stock Exchange board is expected to consider tomorrow taking initial steps toward removing all bars against foreign membership on the exchange, industry sources report.

But, sources add, while the exchange would begin resolving one long-standing question, its expected action also could heat up another potentially controversial front by spurring a clamor for exchange membership by U.S. commercial banks.

Some of the major potential foreign members would be commercial banks in Western Europe, where the commercial banking and stock-brokerage functions traditionally have been combined. Of major countries likely to produce applicants, only Britain and Japan have brokerage houses that are largely independent companies.

Fear U.S. Banks

Consequently, concern exists here that, should brokerage units of foreign commercial banks join the exchange, U.S. commercial banks might ask for the same privilege.

While any loss of brokerage business currently generated by foreign banks is distasteful enough to Big Board members, their oft-expressed fear of open competition with U.S. banks borders on a mania.

Although the Bank Holding Company Act limits certain allied activities of U.S. banks, the measure has never been directly tested with regard to brokerage activities on a stock exchange.

In the foreign area, the Big Board currently has membership applications pending from two brokerage houses—Europartners Securities and SoGen-Swiss Securities, each of which is a U.S. subsidiary of separate groups of Western European commercial banks.

Government Prodding

The Big Board's consideration of repeal of foreign membership bars is prompted by 1975 federal legislation that effectively told stock exchanges that they must remove all obstacles to membership by any financially qualified applicant. After more than a year of sparring, including an unsuccessful attempt last year to persuade the SEC to approve foreign-access rules that would have barred U.S. mills of overseas commercial banks, the Big Board currently appears ready to move toward ending its restrictions.

Mainly, according to a blueprint provided by industry sources, the Big Board would follow this route by making two relatively simple changes in its regulations. One would be repeal

of a constitutional provision that requires an individual exchange member to be a U.S. citizen. The other would be repeal of a section of its rule 314 that limits to 45 per cent the interest in a member firm's capital or profit that can be owned by a foreign, non-Canadian entity.

U.S. regional exchanges long have extended membership privileges to foreign brokers, regardless of whether they are bank-controlled.

Should the Big Board ultimately get to the point of approving foreign membership, it would require that an applicant be a broker-dealer registered with the SEC and that the exchange have the right to inspect the books and records of the overseas parent if it deems it necessary.

Although some Big Board members voice the fear that foreign membership would mean loss of direct business for them, others assert that securities markets are becoming increasingly international in scope and that it is important for the Big Board to act to maintain its present volume and attract new business. Continued exclusion of foreign brokers could ultimately drive their business elsewhere, according to this argument.

SEC to Seek Data

The internationalization of securities markets also is producing pressures for more data on foreign investors. SEC sources disclose that in a few days the commission will consider proposals to require all U.S. broker-dealers to el



International Bonds Traded in Europe

Table with 4 columns: Bond Name, Price, Yield, and other details. Includes sections for Dollar Bonds, Midday Indicated Prices, and Convertible Bonds.

Selected Over-the-Counter Stocks

Table with 4 columns: Stock Name, Price, Change, and other details. Includes sections for NEW YORK (AP) and Closing Prices.

NYSE Nationwide Trading (3 O'clock) Jan. 5

Large table with multiple columns showing NYSE trading data, including stock names, prices, and changes. Includes sub-sections for various market segments.

Market Summary

NYSE Most Active

Table listing the most active stocks on the NYSE, including volume and price.

European Markets

(Yesterday's closing prices in local currencies)

Table showing closing prices for European markets in Amsterdam, Brussels, Frankfurt, and London.

S.U. Commodity Prices

NEW YORK, Jan. 5—Cash

Table listing commodity prices for various goods like wheat, corn, and oil, with prices in dollars and cents.

Standard & Poor's

NYSE Index

Table showing the Standard & Poor's NYSE Index and other market indicators.

Odd-Lot Trading in N.Y.

Table listing odd-lot trading data for various stocks.

American Most Active

Table listing the most active American stocks, including volume and price.

Eurocurrency

Interest Rates

Table showing interest rates for various Eurocurrency deposits.

European Gold Markets

Table showing gold market prices in London, Zurich, and Paris.

Gold Options

Table showing gold options prices for various contracts.

Valuers White Weld S.A.

Text block providing information about Valuers White Weld S.A., including address and contact details.

Weekly net asset value

Text block providing weekly net asset value information.

Tokyo Pacific Holdings N.V.

Text block providing information about Tokyo Pacific Holdings N.V.

Tokyo Pacific Holdings (Seaboard) N.V.

Text block providing information about Tokyo Pacific Holdings (Seaboard) N.V.

Listed on the Amsterdam Stock Exchange

Information: Pierson, Harding & Pierson N.V., Herengracht 214, Amsterdam

NEWS TO THE WORLD

Written from an international perspective.

For readers whose lives are bigger than national boundaries.

International Herald Tribune

Ask for it in flight.

Toronto Stocks

Closing Prices Jan. 5, 1977

Table showing closing prices for Toronto stocks.

Quotations in Canadian funds

Table showing fund quotations in Canadian dollars.

High Low Last Change

Table showing high, low, last, and change for various funds.

Quotations in U.S. funds

Table showing fund quotations in U.S. dollars.

High Low Last Change

Table showing high, low, last, and change for various U.S. funds.

Quotations in Canadian funds

Table showing fund quotations in Canadian dollars.

High Low Last Change

Table showing high, low, last, and change for various funds.

Quotations in U.S. funds

Table showing fund quotations in U.S. dollars.

High Low Last Change

Table showing high, low, last, and change for various U.S. funds.

Chile Quits Andean Pact

SANTIAGO, Jan. 5 (AP)—

Chile's military junta today said it had decided to withdraw from the Andean Pact, a five-nation...

Belgium Cuts Rates

BRUSSELS, Jan. 5 (AP)—

Belgium today cut its discount rate by 2.5 percent to 8 percent and also reduced the rate for loans against...

Montreal Stocks

Quotations in Canadian funds

Table showing fund quotations in Canadian dollars.

High Low Last Change

Table showing high, low, last, and change for various funds.

Quotations in U.S. funds

Table showing fund quotations in U.S. dollars.

High Low Last Change

Table showing high, low, last, and change for various U.S. funds.

Quotations in Canadian funds

Table showing fund quotations in Canadian dollars.

High Low Last Change

Table showing high, low, last, and change for various funds.



5

[illegible]

Sales figures are unofficial.

Unless otherwise noted, rates or dividends in the foregoing are based on the company's earnings based on the last quarterly or semi-annual declaration. Special or extra dividends or payments not designated as regular are:

- a-Also extra or extras. b-Annual rate plus stock dividend. c-Stock dividend. d-Declared or paid. e-Stock dividend or split up. f-Paid this year, dividend omitted. g-Stock dividend or split up. h-Declared or paid this year. i-Declared or paid this year. j-Declared or paid this year. k-Declared or paid this year, an accumulative issue with dividends in arrears. l-New issue. m-Declared or paid this year. n-Declared or paid this year. o-Declared or paid this year. p-Declared or paid this year. q-Declared or paid this year. r-Declared or paid this year. s-Declared or paid this year. t-Declared or paid this year. u-Declared or paid this year. v-Declared or paid this year. w-Declared or paid this year. x-Declared or paid this year. y-Declared or paid this year. z-Declared or paid this year.

in these years trading. 10-Stock dividend amounting to 25 per cent or more has been paid the year's high-low range and dividend are shown for the new stock only.

Carl Gewirtz  
in the Euromarket.  
ay. You can't afford to miss it.  
onal Herald Tribune



## FEATURES



# BLONDIE

**B  
E  
E  
T  
L  
E  
  
B  
A  
I  
L  
L  
E  
Y**

**ANDY  
CAPP**

**WIZARD**  
*of*  
**ID**  
**REX**

**MORGAN**  
**M.D.**

**RIP  
KIRBY**

© 1991 Sam McKelva. All rights reserved.

SOME JOBBERS ARE A PAIN!

Sam McKelva

EXCUSE ME...

I NOTICE YOUR DOG IS WEARING A MUZZLE

CAN HE EAT WITH THAT MUZZLE ON?

ONLY STRAWBERRY SODAS!

SIR, THERE'S GOING TO BE LIVE AMMO DURING THESE WAR GAMES. I DON'T THINK YOU SHOULD GO OUT THERE

DON'T WORRY, NOTHING'S GOING TO HAPPEN TO ME

BUT WHAT IF SOMETHING DOES?

DON'T WORRY

IF SOMETHING DOES, CAN I HAVE YOUR DESK?

WORK LANCE

HI

HI-YER, PET - OW'S IT GOIN'?

THANKS FOR YOUR INTEREST, SWEETHEART - IT'S GONE

THE ARTIST IS HERE TO PAINT YOUR PICTURE

SIT HERE, MADAME

NOW, SAY CHEESE 1000 TIMES

PHIL WIT

LOOK, I CAN MAKE SOME COFFEE AND WE CAN TALK RIGHT HERE, WES?

LET'S RIDE AROUND, IF YOU DON'T MIND TOO MUCH—

I DON'T MIND, DARLING— ALTHOUGH RIDING AROUND AT THREE IN THE MORNING IS NOT EXACTLY NORMAL PROCEDURE!

I THINK YOU REALIZE THAT I'VE BECOME VERY ATTRACTED TO YOU, SHERRI—

I THINK YOU REALIZE THAT I'VE BECOME VERY ATTRACTED TO YOU, SHERRI—

BRADLEY EDGSON

JASON VANCE AND KIRBY! HOW'D THEY GET HERE?

SURPRISE ARRIVALS CHANGE A PLAN.

FRODO - 1-6

LET GO OF ME, YOU OLD FOOL!


NOT YET. IF YOU DIDN'T WRITE THAT NOTE, WHAT'S YOUR HURRY?

MAYBE I'M NOT A CHAMPION SPELLER, EITHER, BUT I'M GREAT ON PUNCTUATION!

© 1999 Twentieth Century Fox Film Corporation

## AT SCRAMBLED WORD GAME

by Henri Arnold and Bob Lee



Flee and shine!

FRIGHTENED WHEN IT WAS TIME TO GET UP IN THE MORNING.

**ZEEMYN**

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: " ( ) ( ) ( ) ( ) ( ) ( ) ( ) "

(Answers tomorrow)

Yesterday's Jumbles: STOOPELDER CORNER BUTANE  
Answer: "I've left the plainclothesman to find things out!"--"DETECT"

*"Defendant on a reputation at the Post Office"*

[illegible]

## YESTERDAY'S ENEMY

*By William Haggard. Walker. 204 pp. \$6.95.*

Reviewed by Anatole Brovard

THE creation of the atomic bomb inevitably raised the question of what it would take, after World War II that is, to provoke a major power to use it. In "Yesterday's Enemy," William Haggard has written a well-made thriller concerning a hypothetical case. The fact that the author is able to work this case with some credibility may be a bit too "thrilling" for some readers. And while cynicism is the fashionable posture of intelligence agents in such novels, Mr. Haggard comes uncomfortably close to confirming what many of us may fear.

In "Yesterday's Enemy" an embittered man named Clark, who lost his family at Hiroshima, has devoted 30 years to planning his revenge on the United States. Because his scheme requires considerable financing, Clark has attached himself to a South American dictator in the hope of using him as a political and economic tool. But Molina, the dictator, turns out to be anything but the expected stereotype. Instead of the obsession with second-always outweigh humanitarian considerations.

To all reasonable observers—that West Germany's sensitivity and efficiently go to allow this, charade to place the Russian intel chief opposes the "dist. inevitable" unresemblance his masters. And so Mr. gard's plot maintains its sary position on the outer of possibility—the natural

As Clark sees it, Molotov "had risen to power by the orthodox road, on a network of cells and private strongarms, on blackmail and threats and offers of violence, and on the promises of better times." But then "he's made every mistake in the political book." He had tried to keep his promises. "He let wages rise, he was soft with strikes. He disbanded his private corps of hard men, swearing he'd never permit a secret police. He even failed to purge the army . . . No sort of Marxist at all, he had turned out to be just another scheming, money-minded man. And, of course, the worst being what it is, according to Mr. Haggard at least, he was defeated by the chaos that often follows liberation.

However, Molina was not so sentimental as to have failed to hedge his bet by depositing \$10 million in a Swiss bank. His sense of the irony of history left him as "Salvatore" well rewarded for his

Mr. Haggard is not without prejudices and he does not intend to hide them. But perhaps writing and reading of the partly a therapeutic attempt to examine our prejudices. While the word "prejudice" has a very limited negative connotation, it is that, in a wider sense, Gide was right when he said: "Prejudices are the pre-civilization."

Mr. Brogard is a book critic of *The New York Times*.

## Best Seller

The New York Times

FICTION		Last week
This week	1. <i>Trinity</i> , by Leon Uris .....	1
	2. <i>Sleeping Murder</i> , by Agatha Christie .....	2
	3. <i>Storm Warning</i> , by Jack Higgins .....	3
	4. <i>Shattered</i> , by John G. Gurnea .....	4
	5. <i>Baise the Titanic</i> , by Olive O'Connor .....	5
	6. <i>Centred</i> , by John G. Gurnea .....	6
	7. <i>Trench</i> , by Taylor Caldwell .....	7
	8. <i>Heart of the Matter</i> , by Robert Bly .....	8
	9. <i>Merry Me</i> , by John Updike .....	9
	10. <i>Dolores</i> , by Jacqueline Susann .....	10
	11. <i>The Crash of '78</i> , by Paul .....	11

—By Alan True

On the diagramed deal South made a most unusual play that served to bring home a borderline vulnerable game contract. After passing originally he responded two no-trump to his partner's one-diamond opening, and was raised to game.

West led the heart queen, and South captured the queen with the king and led a diamond, winning the trick with the queen after an duck on his left. He unblocked the king-queen of clubs, and was now in a quandary: he needed to lead diamonds from his hand, and could not play either major suit without developing tricks for the oppo-

mond tricks and the heart dummy for a total of nine.

The winning defense, not to find, was for East to lead heart nine in the diagrammed tion. South would have to preserve dummy's entry East could then lead the nine. Another duck by the defense would be essential. West would then lead the

He solved the problem by leading a spade and ducking, just as he would have done if the opposition had led the suit. East won with the eight and was on lead in this position:

NORTH  
 ♠ 1072  
 ♥ A854  
 ♦ Q64

♠ 107  
 ♣ A85  
 ♥ K85  
 ♦ —

WEST  
 ♣ J8  
 ♠ J107  
 ♥ A7  
 ♦ 9

SOUTH  
 ♠ A5  
 ♥ 65  
 ♦ 34  
 ♣ A10

EAST  
 ♣ KQ8  
 ♠ 10  
 ♥ J8

WEST  
 ♠ J84  
 ♥ J107  
 ♦ A78  
 ♣ 854

EAST  
 ♠ 954

SOUTH (D)  
 ♠ A53  
 ♥ Q653  
 ♦ 854  
 ♣ 9-1064

North and South were vulnerable.  
 The bidding:  
 South West North  
 Pass Pass Pass  
 Pass Pass 3 NT  
 Pass Pass

Knowing that the declarer







